



**WARREN EASTON CHARTER HIGH SCHOOL  
FOUNDATION, INC. and AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2021 and 2020**



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# REPORT





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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Warren Easton Charter High School Foundation, Inc. and Affiliate  
New Orleans, Louisiana

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Warren Easton Charter High School Foundation, Inc. and Affiliate (the Organizations) (nonprofit organizations), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organizations' preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, and Cost Principles, and Audit Requirements for Federal Awards, and the accompanying schedule of compensation, benefits and other payments made to agency head are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The consolidating statement of financial position and the consolidating statement of activities, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
March 31, 2022



# FINANCIAL STATEMENTS



**Warren Easton Charter High School Foundation Inc. and Affiliate**  
**Consolidated Statements of Financial Position**

<i>June 30,</i>	<b>2021</b>	2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 9,904,732	\$ 9,894,811
Restricted cash	199,019	149,728
Grant receivables	446,167	1,033,667
Other receivables	376,081	54,432
Inventory	5,017	5,017
Prepaid expenses	26,811	171,145
Total current assets	<b>10,957,827</b>	11,308,800
Property and equipment, net	616,358	1,025,520
Total assets	<b>\$ 11,574,185</b>	\$ 12,334,320
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 883,299	\$ 235,219
Accrued expenses	338,904	491,981
Current portion of long-term liabilities	-	8,897
Deferred revenues	1,260	630
Total current liabilities	<b>1,223,463</b>	736,727
Noncurrent liabilities		
Long term debt, net deferred financing costs	-	258,024
Net assets		
Without donor restrictions	10,074,098	10,929,437
With donor restrictions	276,624	410,132
Total net assets	<b>10,350,722</b>	11,339,569
Total liabilities and net assets	<b>\$ 11,574,185</b>	\$ 12,334,320

The accompanying notes are an integral part of these consolidated financial statements.

**Warren Easton Charter High School Foundation Inc. and Affiliate**  
**Consolidated Statement of Activities**

<i>For the year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	<b>2021 Total</b>
<b>Revenue and Other Support</b>			
Contributions	\$ 300,290	\$ 32,987	\$ 333,277
Grants			
Federal	1,354,077	-	1,354,077
Local Minimum Foundation Program	5,715,055	-	5,715,055
State Minimum Foundation Program	4,310,685	-	4,310,685
Student activity fees	479,743	199,019	678,762
Interest income	21,854	-	21,854
Other revenues	157,932	-	157,932
Net assets released from restrictions	365,514	(365,514)	-
<b>Total revenue and other support</b>	<b>12,705,150</b>	<b>(133,508)</b>	<b>12,571,642</b>
<b>Expenses</b>			
Program services	11,039,290	-	11,039,290
Management and general	2,459,341	-	2,459,341
Fundraising	61,858	-	61,858
<b>Total expenses</b>	<b>13,560,489</b>	<b>-</b>	<b>13,560,489</b>
<b>Change in Net Assets</b>	<b>(855,339)</b>	<b>(133,508)</b>	<b>(988,847)</b>
Net assets at beginning of year	10,929,437	410,132	11,339,569
<b>Net assets at end of year</b>	<b>\$ 10,074,098</b>	<b>\$ 276,624</b>	<b>\$ 10,350,722</b>

The accompanying notes are an integral part of this consolidated financial statement.

## Warren Easton Charter High School Foundation Inc. and Affiliate Consolidated Statement of Activities

<i>For the year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	<b>2020 Total</b>
<b>Revenue and Other Support</b>			
Contributions	\$ 208,872	\$ 270,904	\$ 479,776
Grants			
Federal	951,762	-	951,762
Other	46,459	-	46,459
PPP Revenue	1,375,000	-	1,375,000
Local Minimum Foundation Program	5,656,950	-	5,656,950
State Minimum Foundation Program	4,430,936	-	4,430,936
Student activity fees	421,519	165,402	586,921
Interest income	103,023	-	103,023
Other revenues	344,789	-	344,789
Net assets released from restrictions	419,753	(419,753)	-
<b>Total revenue and other support</b>	<b>13,959,063</b>	<b>16,553</b>	<b>13,975,616</b>
<b>Expenses</b>			
Program	11,262,594	-	11,262,594
Management and general	3,149,006	-	3,149,006
Fundraising	95,215	-	95,215
<b>Total expenses</b>	<b>14,506,815</b>	<b>-</b>	<b>14,506,815</b>
<b>Change in Net Assets</b>	<b>(547,752)</b>	<b>16,553</b>	<b>(531,199)</b>
Net assets at beginning of year	11,477,189	393,579	11,870,768
<b>Net assets at end of year</b>	<b>\$ 10,929,437</b>	<b>\$ 410,132</b>	<b>\$ 11,339,569</b>

The accompanying notes are an integral part of this consolidated financial statement.



**Warren Easton Charter High School Foundation Inc. and Affiliate**  
**Consolidated Statement of Functional Expenses**

<i>For the year ended June 30,</i>	<b>Program Services</b>	<b>Management &amp; General</b>	<b>Fund- Raising</b>	<b>2021 Totals</b>
Salaries	\$ 5,861,014	\$ 651,224	\$ -	\$ 6,512,238
Employee benefits	2,167,058	240,784	-	2,407,842
Depreciation	-	48,808	-	48,808
Equipment rental	-	16,960	-	16,960
Food services	17,155	1,906	-	19,061
Insurance	-	122,438	-	122,438
Other expenses	39,866	604,635	19,933	664,434
Other services	-	342,080	-	342,080
Printing	401	6,078	200	6,679
Professional services	278,830	278,831	-	557,661
Repairs and maintenance	468,369	24,651	-	493,020
Shared services	141,393	15,710	-	157,103
Student activity	629,470	-	-	629,470
Supplies:				
Instructional	5,974	531	133	6,638
Other	312,237	6,939	27,754	346,930
Transportation	522,739	-	-	522,739
Travel	6,659	7,817	-	14,476
Utilities	588,125	89,949	13,838	691,912
<b>Total</b>	<b>\$ 11,039,290</b>	<b>\$ 2,459,341</b>	<b>\$ 61,858</b>	<b>\$ 13,560,489</b>

The accompanying notes are an integral part of this consolidated financial statement.

**Warren Easton Charter High School Foundation Inc. and Affiliate**  
**Consolidated Statement of Functional Expenses**

<i>For the year ended June 30,</i>	<b>Instructional</b>	<b>Management &amp; General</b>	<b>Fund- Raising</b>	<b>2020 Total</b>
Salaries	\$ 5,706,051	\$ 634,006	\$ -	\$ 6,340,057
Employee benefits	2,101,862	233,540	-	2,335,402
2% admin fee	174,815	19,424	-	194,239
Depreciation	-	85,611	-	85,611
Donations	-	-	19,539	19,539
Donation of property	-	769,526	-	769,526
Equipment rental	-	26,438	-	26,438
Food services	9,895	1,100	-	10,995
Foundation scholarships	-	124,000	-	124,000
Insurance	-	110,034	-	110,034
Interest expense	-	15,184	-	15,184
Other expenses	24,611	373,272	12,306	410,189
Other services	-	302,246	51	302,297
Printing	102	1,547	-	1,649
Professional services	339,865	339,866	-	679,731
Repairs and maintenance	403,968	21,261	-	425,229
Shared services	101,322	11,258	-	112,580
Student activity	600,233	-	-	600,233
Supplies:				
Instructional	87,539	7,781	1,945	97,265
Other	620,092	13,780	55,119	688,991
Transportation	810,675	-	-	810,675
Travel	15,740	18,477	-	34,217
Utilities	265,824	40,655	6,255	312,734
<b>Total</b>	<b>\$ 11,262,594</b>	<b>\$ 3,149,006</b>	<b>\$ 95,215</b>	<b>\$ 14,506,815</b>

The accompanying notes are an integral part of this consolidated financial statement.

**Warren Easton Charter High School Foundation Inc. and Affiliate**  
**Consolidated Statements of Cash Flows**

<i>For the years ended June 30,</i>	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Change in net assets	\$ (988,847)	\$ (531,199)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	48,808	85,611
Donation of property	265,000	769,526
Changes in operating assets and liabilities:		
Grant receivables	587,500	(458,960)
Other receivables	(321,649)	136,434
Prepaid expenses	144,334	(144,334)
Accounts payable	648,080	220,718
Accrued expenses	(153,077)	(663,509)
Deferred revenues	630	-
Net cash provided by (used in) operating activities	<b>230,779</b>	<b>(585,713)</b>
<b>Investing Activities</b>		
Purchases of equipment	(4,646)	-
Sales of building and land	100,000	-
Net cash provided by (used in) investing activities	<b>95,354</b>	-
<b>Financing Activities</b>		
Payments on long term debt	(266,921)	(8,415)
Net cash provided by (used in) investing activities	<b>(266,921)</b>	<b>(8,415)</b>
Net change in cash, cash equivalents, and restricted cash	<b>59,212</b>	<b>(594,128)</b>
Cash, cash equivalents, and restricted cash at beginning of year	<b>10,044,539</b>	10,638,667
Cash, cash equivalents, and restricted cash at end of year	<b>\$ 10,103,751</b>	<b>\$ 10,044,539</b>
<b>Supplemental Cash Flow Information</b>		
Cash paid for interest	\$ 14,197	\$ 15,184
<b>Reconciliation to Statements of Financial Position</b>		
Cash and cash equivalents	\$ 9,904,732	\$ 9,894,811
Restricted cash	199,019	149,728
Cash, cash equivalents, and restricted cash at end of year	<b>\$ 10,103,751</b>	<b>\$ 10,044,539</b>

The accompanying notes are an integral part of these consolidated financial statements.

## **Warren Easton Charter High School Foundation, Inc. and Affiliate Notes to Consolidated Financial Statements**

### **Note 1: DESCRIPTION OF THE ORGANIZATION**

Warren Easton Charter High School Foundation, Inc. d/b/a Warren Easton Charter High School (the School), incorporated on March 21, 2006, is an educational institution organized to improve student learning, increase learning opportunities for all students, encourage the use of innovative teaching methods and a variety of governance, management, and administrative structures, be more thoroughly accountable for educational results, and create new professional opportunities for teachers and other employees.

Friends of Warren Easton (Friends), incorporated on August 25, 2015, is a non-profit organization created and operated for the benefit of Warren Easton Charter High School Foundation, Inc.

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Basis of Accounting***

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### ***Consolidation***

The consolidated financial statements include accounts of Warren Easton Charter High School Foundation, Inc. and Friends of Warren Easton, collectively referred to as the Organizations. All material intercompany account balances and transactions have been eliminated.

#### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

#### ***Restricted Cash***

Amounts included in restricted cash represent those required to be set aside by state law for the use of student activities.



## **Warren Easton Charter High School Foundation, Inc. and Affiliate Notes to Consolidated Financial Statements**

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### ***Grant and Other Receivables***

Grant and other receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Organizations provide for losses on receivables using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of donors to meet their obligations. Management believes that all receivables are collectible. As such, the consolidated financial statements do not include an estimate for allowance for doubtful accounts.

#### ***Inventory***

Inventory consisted of items that are sold at the School's store, The Eagles' Nest. Items sold at the store include sweaters, T-shirts, socks, school supplies, etc. Inventory is stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the consolidated statements of activities in the period in which it occurs.

#### ***Property and Equipment***

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

#### ***Impairment of Long-Lived Assets***

The Organizations review long-lived assets, consisting of equipment, for impairment and determine whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. The Organizations determine recoverability of assets by comparing the carrying value of the asset to the net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during 2021 or 2020.

#### ***Net Assets***

The Organizations report information regarding their financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organizations, the environment in which they operate, the purposes specified in their corporate documents and their application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of their operations. The governing board has designated, from net assets without donor restrictions, net assets for capital purchases.

## Warren Easton Charter High School Foundation, Inc. and Affiliate Notes to Consolidated Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Net Assets (Continued)***

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

#### ***Contributions and Revenue Recognition***

A significant portion of the Organizations' grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

The School primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and NOLA Public Schools. For the year ended June 30, 2021, the School received \$3,273 from the State and \$5,856 from NOLA Public Schools per eligible student in attendance at the official pupil count date of October 1, 2020. For the year ended June 30, 2020, the School received \$4,545 from the State and \$5,802 from NOLA Public Schools per eligible student in attendance at the official pupil count date of October 1, 2019.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Special event and fundraising revenues are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Organizations recognized revenue when persuasive evidence of an arrangement existed, delivery of products or occurrence of services had occurred, the transaction price was fixed or determinable and collectability was reasonably assured. Special event and fundraising revenues received in advance are deferred and recognized over the periods to which the dates and costs relate. These amounts are included in performance obligation liabilities within the consolidated statements of financial position. Due to the Covid pandemic, there was no special event or fundraising revenue raised for the years ended June 30, 2021 and 2020.



## Warren Easton Charter High School Foundation, Inc. and Affiliate Notes to Consolidated Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Donated Assets***

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. There were no donated assets for the years ended June 30, 2021 and 2020.

#### ***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organizations. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria were not met. There were no donated services that met the criteria for recognition for the years ended June 30, 2021 and 2020.

#### ***Functional Allocation of Expenses***

Directly identifiable expenses are charged to programs and supporting services. The majority of expenses are allocated based on actual time and effort. However, insurance, repairs and maintenance, utilities, and depreciation require allocation based on the square footage of the building.

#### ***Income Taxes***

The Organizations have received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, are not subject to federal or state income tax unless the Organizations have unrelated trade or business income. There was no unrelated trade or business income for the years ended June 30, 2021 and 2020.

The Organizations utilize the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2021 and 2020, the Organizations have no uncertain tax provisions that qualify for recognition or disclosure in the consolidated financial statements.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, March 31, 2022, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

## Warren Easton Charter High School Foundation, Inc. and Affiliate Notes to Consolidated Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Recently Adopted Accounting Pronouncements**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance.

Effective July 1, 2020, the Organizations adopted ASC 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to net assets recognized upon adoption. Therefore, the 2020 consolidated financial statements have not been restated and continue to be reported under the accounting standards in effect for that year. There was no cumulative adjustment necessary to record upon adoption of ASC 606 for the year ended June 30, 2021.

#### **Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. On June 3, 2020, FASB issued ASU 2020-05 effectively delaying required implementation of the lease standard to annual period beginning after December 15, 2021. The Organizations elected not to early adopt the provisions of ASU 2016-02 for the year ended June 30, 2021. The Organizations are currently evaluating the impact of this ASU on the consolidated financial statements.

### Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organizations maintain their financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organizations' expenditures come due. The following reflects the Organizations' financial assets as of the consolidated statement of financial position dates, reduced by amounts not available for general use within one year of the consolidated statement of financial position dates because of contractual or donor-imposed restrictions.

	2021	2020
Financial assets, as of June 30,	\$ 10,925,999	\$ 11,132,638
Less:		
Assets restricted for Student Activities	199,019	149,728
Assets designated for capital purchases	1,619,737	1,619,737
Financial assets available to meet cash needs for general expenditures within one year	\$ 9,107,243	\$ 9,363,173

**Warren Easton Charter High School Foundation, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**

**Note 4: GRANT AND OTHER RECEIVABLES**

Grant receivables were comprised of the following amounts as of June 30, 2021 and 2020:

	2021	2020
Louisiana Department of Education		
Title I	\$ 160,704	\$ 905,929
Title II	10,120	24,372
Title III	-	1,952
Title IV	2,839	19,936
Educational Excellent	-	46,459
Student Services	398	-
IDEA B	80,351	-
Carl Perkins	41,102	35,019
ESSER I	85,456	-
ESSER II	65,197	-
<b>Total grants receivable</b>	<b>\$ 446,167</b>	<b>\$ 1,033,667</b>

Other receivables consist of \$376,081 and \$54,432 as of June 30, 2021 and 2020, respectively. Other receivables for the year ended June 30, 2021 consisted of \$350,000 for a building expansion project. Other receivables for the year ended June 30, 2020 consisted of \$37,694 for IT services performed for other schools.

There was no bad debt expense for the years ended June 30, 2021 and 2020.

**Note 5: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	Estimated Useful Lives (in years)	2021	2020
Land		\$ -	\$ 100,000
Building	39	-	265,000
Leasehold improvements	7-10	944,346	944,346
Equipment	3-6	1,657,330	1,654,795
<b>Total</b>		<b>2,601,676</b>	<b>2,964,141</b>
<b>Accumulated depreciation</b>		<b>(1,985,318)</b>	<b>(1,938,621)</b>
<b>Total property and equipment, net</b>		<b>\$ 616,358</b>	<b>\$ 1,025,520</b>

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$48,808 and \$85,611, respectively.



**Warren Easton Charter High School Foundation, Inc. and Affiliate**  
**Notes to Consolidated Financial Statements**

**Note 6: MORTGAGE PAYABLE**

Friends entered into a mortgage payable with a financial institution on June 30, 2018 for the purchase of a building that was collateralized by the building. The debt had an interest rate of 5.5% and a maturity date of June 18, 2038. As of June 30, 2021, the building was sold and the mortgage payable was fully paid. As of June 30, 2020, the debt had a balance of \$266,921. Interest expense related to the mortgage payable was \$14,197 and \$15,184 for the years ended June 30, 2021 and 2020.

**Note 7: NET ASSETS**

A summary of net assets without donor restrictions follows:

<i>June 30,</i>	<b>2021</b>	2020
Undesignated	\$ 8,454,361	\$ 9,309,700
Board designated		
Capital purchases	<b>1,619,737</b>	1,619,737
<b>Total net assets without donor restrictions</b>	<b>\$ 10,074,098</b>	\$ 10,929,437

A summary of net assets with donor restrictions follows:

<i>June 30,</i>	<b>2021</b>	2020
Student activities funds	\$ 199,019	\$ 220,213
Friends Scholarships	<b>31,486</b>	31,486
Wellness	-	30,221
Alumni	<b>22,050</b>	24,953
Christmas gift card	-	4,378
Academic enhancements	<b>24,069</b>	13,132
Hall of Fame scholarships	-	68,958
Rex	-	15,000
Library books and other	-	1,791
<b>Total net assets with donor restrictions</b>	<b>\$ 276,624</b>	\$ 410,132

## **Warren Easton Charter High School Foundation, Inc. and Affiliate**

### **Notes to Consolidated Financial Statements**

#### **Note 8: CONCENTRATIONS OF CREDIT RISK**

The Organizations maintain cash deposits in several accounts at one financial institution. These accounts, except for the sweep accounts, are insured by the Federal Deposit Insurance Commission (FDIC) up to \$250,000. At June 30, 2021 and 2020, the Organizations had cash balances, excluding the sweep account, in excess of the FDIC insured limit totaling \$9,085,234 and \$7,684,622, respectively. The sweep account, which had a cash balance of \$850,141 and \$2,936,016 at June 30, 2021 and 2020, respectively, consisted of a Federated Investors Government Obligations Money Market Fund that is not FDIC insured. The fund is completely invested in U.S. government obligations with short-term maturities.

For the years ended June 30, 2021 and 2020, the Organizations received approximately 34% and 32%, respectively, of its total revenue from State public school funds, and approximately 45% and 40%, respectively, of its total revenue from Local public school funds. As of June 30, 2021 and 2020, the Organizations had 100% of its grant receivables from federal sources passed through state sources.

#### **Note 9: COMMITMENTS**

The Organizations have employment contracts with most of its employees. The contracts for the current year expired June 30, 2021. All contracts provided for a minimum annual salary and other benefits.

#### **Note 10: RETIREMENT PLAN**

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. TRSL provides retirement benefits as well as disability and survivor benefits to eligible participants. TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Participants vest immediately in employee contributions to TRSL. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

Participants are required to contribute 8% of the annual covered payroll to TRSL. For the years ended June 30, 2021 and 2020, the School was required to contribute 25.8% and 26.0%, respectively, each year of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee.

## Warren Easton Charter High School Foundation, Inc. and Affiliate Notes to Consolidated Financial Statements

### **Note 10: RETIREMENT PLAN (Continued)**

For the years ended June 30, 2021 and 2020, the School's contributions to TSRL totaled \$1,603,276 and \$1,573,552, respectively, and are included in employee benefits on the consolidated statements of functional expenses.

### **Note 11: RELATED PARTY TRANSACTIONS**

Effective July 1, 2020, the School became its own LEA, thus the related party fees below were not paid to NOLA Public Schools for the year ended June 30, 2021 unless otherwise stated below.

During the year ended June 30, 2020, the School had related party expenses totaling \$761,118 to NOLA Public Schools, the School's Local Educational Agency (LEA) through June 30, 2020. The School paid additional LEA fees of \$472,814 to remain with the LEA for the year ended June 30, 2020. As of June 30, 2020, the School had accrued expenses of \$232,500 payable to NOLA Public Schools for these additional LEA fees.

The Louisiana Legislature approved a 2% administrative fee to be paid by all charter schools to NOLA Public Schools. For the years ended June 30, 2021 and 2020, the School paid \$195,668 and \$194,239, respectively, in administrative fees.

NOLA Public Schools charges the School for the property and flood insurance costs, as further described in Note 12. For the years ended June 30, 2021 and 2020, the School paid property & flood insurance costs to NOLA Public Schools of \$157,103 and \$112,580, respectively. As of June 30, 2021 and 2020, the School had accrued expenses of \$0 and \$112,580, respectively, payable to NOLA Public Schools. The remaining balance for the years ended June 30, 2021 and 2020, \$19,061 and \$10,995, respectively, are for the food services provided by NOLA Public Schools for meals at the School.

### **Note 12: SCHOOL OPERATION/LEASEHOLD INTEREST**

On July 1, 2011, the School's operating agreement renewal with NOLA Public Schools (formerly the Orleans Parish School Board) went into effect. This allows the School to use the facilities and contents located at 3019 Canal Street, New Orleans, LA 70119, or any other locations that may be approved by the School and NOLA Public Schools. This agreement expired on June 30, 2017. The agreement was renewed in June 2017 through June 30, 2026.

For the years ended June 30, 2021 and 2020, the School paid annual usage fees (shared services including insurance costs) to NOLA Public Schools of \$157,103 and \$112,580, respectively. NOLA Public Schools can increase this fee prior to the next fiscal year based on the actual cost of flood and property insurance they are able to obtain.



## Warren Easton Charter High School Foundation, Inc. and Affiliate Notes to Consolidated Financial Statements

### **Note 12: SCHOOL OPERATION/LEASEHOLD INTEREST (Continued)**

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules. If capital improvements are made by the School with non-public funds to any site which it operates, and the charter contract is revoked or terminated, the School will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to NOLA Public Schools at the time the agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

The School also has the rights to use land, building and equipment that are owned by NOLA Public Schools for no fee. Use of the land, building and equipment is not recorded as an in-kind contribution from as the value of the use of the land, building and equipment is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

### **Note 13: RISK MANAGEMENT**

The Organizations are exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the years ended June 30, 2021 and 2020.

### **Note 14: PPP REVENUE**

On April 28, 2020, the School received a loan in the amount of \$1,375,000 under the Paycheck Protection Program (PPP) pursuant to the CARES Act and administered by the U.S. Small Business Administration (SBA). The School recognized revenue from the PPP loan following the guidance under FASB ASC 958-605. The School has used the PPP loan funds for its payroll and benefits purposes consistent with the PPP. As of June 30, 2020, the School had incurred \$1,375,000 of qualified expenses under this PPP loan and recognized \$1,375,000 of PPP loan revenue related to these qualifying expenses.

The School received forgiveness of the full amount of the loan and related interest in June 2021.

## Warren Easton Charter High School Foundation, Inc. and Affiliate Notes to Consolidated Financial Statements

### **Note 15: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organizations. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



## SUPPLEMENTARY INFORMATION





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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Warren Easton Charter High School Foundation, Inc. and Affiliate  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Warren Easton Charter High School Foundation, Inc. and Affiliate (the Organizations) (nonprofit organizations), which comprises the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 31, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organizations' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material



weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organizations' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
March 31, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Warren Easton Charter High School  
Foundation Inc and Affiliate  
New Orleans, Louisiana

**Report on Compliance for the Major Federal Program**

We have audited Warren Easton Charter High School Foundation, Inc. and Affiliate (the Organizations) (nonprofit organizations) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organizations' major federal program for the year ended June 30, 2021. The Organizations' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the Organizations' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the Organizations' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organizations' compliance.

### **Opinion on the Major Federal Program**

In our opinion, the Organizations complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the Organizations is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organizations' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organizations' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
March 31, 2022

**Warren Easton Charter High School Foundation, Inc. and Affiliate**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Amount Passed through to subrecipient</u>	<u>Total Federal Expenditures</u>
<b>Department of Education/Passed-Through</b>				
<b>State of Louisiana Department of</b>				
<b>Education</b>				
<i>Special Education Cluster</i>				
Special Education Grants to States	84.027	n/a	\$ -	\$ 201,506
<b>Total Special Education Cluster</b>			-	<b>201,506</b>
Title I Grants to Local Educational Agencies	84.010	n/a	-	407,149
Student Support and Academic Enrichment Program	84.424	n/a	-	2,839
Career and Technical Education – Basic Grants to States	84.048	n/a	-	41,102
Supporting Effective Instruction State Grants	84.367	n/a	-	10,120
<b>Total Passed-Through State of Louisiana Department of Education</b>				<b>662,716</b>
<b>Department of Education/Passed-Through</b>				
<b>NOLA Public Schools</b>				
COVID-19 Education Stabilization Fund	84.425D	n/a	-	686,339
<b>Total Department of Education</b>			-	<b>1,349,055</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 1,349,055</b>

**Warren Easton Charter High School Foundation, Inc. and Affiliate**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

**Note 1: GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the expenditures of all federal awards of Warren Easton Charter High School Foundation, Inc. and Affiliate (the Organizations) (nonprofit organizations) for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic consolidated financial statements.

**Note 2: INDIRECT COST RATE**

The Organizations have not elected to use the 10% de minimis indirect rate allowed under the Uniform Guidance.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal awards revenues reported in the Organizations' basic consolidated financial statements reconcile to federal award expenditures as follows:

Federal grant revenue	\$ 1,354,077
Immaterial unreconciled differences	5,022
<hr/>	
Expenditures of federal awards	\$ 1,349,055

**Note 4: LOANS**

The Organizations did not expend federal awards related to loans or loan guarantees during the year.

**Note 5: FEDERALLY FUNDED INSURANCE**

The Organizations have no federally funded insurance.

**Note 6: NONCASH ASSISTANCE**

The Organizations received no noncash assistance.



**WARREN EASTON CHARTER HIGH SCHOOL FOUNDATION, INC. AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**SECTION I - SUMMARY OF AUDITORS' REPORTS**

*Consolidated Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes    X no
- Significant deficiency(es) identified? \_\_\_ yes    X none noted

Noncompliance material to consolidated financial statements noted? \_\_\_ yes    X no

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_ yes    X no
- Significant deficiency(es) identified? \_\_\_ yes    X none noted

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? \_\_\_ yes    X none noted

Identification of major federal programs:

Assistance Listing Number	Federal Program or Cluster
COVID-19 84.425D	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes? \_\_\_ yes    X no

**WARREN EASTON CHARTER HIGH SCHOOL FOUNDATION, INC. AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

**SECTION II – CONSOLIDATED FINANCIAL STATEMENTS FINDINGS**

No findings noted

**SECTION III – FEDERAL AWARDS**

No findings noted

**SECTION IV – MANAGEMENT LETTER**

No management letter was issued

**WARREN EASTON CHARTER HIGH SCHOOL FOUNDATION, INC. AND AFFILIATE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

**SECTION II – CONSOLIDATED FINANCIAL STATEMENTS FINDINGS**

**2020-001 Material Weakness: Misappropriation of financial assets of the School**

**Criteria:** Safeguarding of assets is the primary responsibility of a non-profit entity.

**Recommendation:** It is recommended that the School install proper segregation of duties and controls around the collection, recording, and reconciliation of the Student Activity Fund.

**Status:** Resolved

**SECTION III – FEDERAL AWARDS**

No findings noted

**SECTION IV – MANAGEMENT LETTER**

No management letter was issued

**Warren Easton Charter High School Foundation Inc. and Affiliate**  
**Consolidating Statements of Financial Position**

<i>June 30,</i>	School	Foundation	SAF	Warren Easton Charter High School Foundation	Friends of Warren Easton	Eliminating Entries	2021 Total
<b>Assets</b>							
Current assets							
Cash and cash equivalents	\$ 9,382,278	\$ 418,374	\$ -	\$ 9,800,652	\$ 104,080	\$ -	\$ 9,904,732
Restricted cash	-	-	199,019	199,019	-	-	199,019
Grant receivables	446,167	-	-	446,167	-	-	446,167
Other receivables	376,081	22,050	-	398,131	-	(22,050)	376,081
Inventory	5,017	-	-	5,017	-	-	5,017
Prepaid expenses	26,811	-	-	26,811	-	-	26,811
Total current assets	10,236,354	440,424	199,019	10,875,797	104,080	(22,050)	10,957,827
Property and equipment, net	616,358	-	-	616,358	-	-	616,358
Total assets	\$ 10,852,712	\$ 440,424	\$ 199,019	\$ 11,492,155	\$ 104,080	\$ (22,050)	\$ 11,574,185
<b>Liabilities and Net Assets</b>							
Current liabilities							
Accounts payable	\$ 888,689	\$ 16,660	\$ -	\$ 905,349	\$ -	\$ (22,050)	\$ 883,299
Accrued expenses	219,404	119,500	-	338,904	-	-	338,904
Deferred revenues	1,260	-	-	1,260	-	-	1,260
Total current liabilities	1,109,353	136,160	-	1,245,513	-	(22,050)	1,223,463
Net assets							
Without donor restriction	9,719,290	282,214	-	10,001,504	72,594	-	10,074,098
With donor restrictions	24,069	22,050	199,019	245,138	31,486	-	276,624
Total net assets	9,743,359	304,264	199,019	10,246,642	104,080	-	10,350,722
Total liabilities and net assets	\$ 10,852,712	\$ 440,424	\$ 199,019	\$ 11,492,155	\$ 104,080	\$ (22,050)	\$ 11,574,185



**Warren Easton Charter High School Foundation Inc. and Affiliate  
Consolidating Statements of Activities**

<i>For the year ended June 30,</i>	Warren Easton	Foundation	SAF	Warren Easton Charter High School Foundation, Inc.	Friends of Warren Easton	Eliminations	2021 Total
<b>Revenue and Other Support</b>							
Contributions	\$ 190,000	\$ 148,529	\$ -	\$ 338,529	\$ 264,905	\$ (270,157)	\$ 333,277
Grants							
Federal	1,354,077	-	-	1,354,077	-	-	1,354,077
State	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Local Minimum Foundation Program	5,715,055	-	-	5,715,055	-	-	5,715,055
State Minimum Foundation Program	4,310,685	-	-	4,310,685	-	-	4,310,685
Student activity fees	-	-	678,762	678,762	-	-	678,762
Interest income	20,075	1,249	-	21,324	530	-	21,854
Other revenues	70,996	108,986	-	179,982	27,150	(49,200)	157,932
<b>Total revenue and other support</b>	<b>11,660,888</b>	<b>258,764</b>	<b>678,762</b>	<b>12,598,414</b>	<b>292,585</b>	<b>(319,357)</b>	<b>12,571,642</b>
<b>Expenses</b>							
Program	10,030,571	384,405	629,471	11,044,447	-	(5,157)	11,039,290
Management and general	2,643,336	118,558	-	2,761,894	11,647	(314,200)	2,459,341
Fundraising	46,550	15,308	-	61,858	-	-	61,858
<b>Total expenses</b>	<b>12,720,457</b>	<b>518,271</b>	<b>629,471</b>	<b>13,868,199</b>	<b>11,647</b>	<b>(319,357)</b>	<b>13,560,489</b>
<b>Change in Net Assets</b>	<b>(1,059,569)</b>	<b>(259,507)</b>	<b>49,291</b>	<b>(1,269,785)</b>	<b>280,938</b>	<b>-</b>	<b>(988,847)</b>
Net assets at beginning of year	10,802,928	563,771	149,728	11,516,427	(176,858)	-	11,339,569
Net assets at end of year	\$ 9,743,359	\$ 304,264	\$ 199,019	\$ 10,246,642	\$ 104,080	\$ -	\$ 10,350,722

**Warren Easton Charter High School Foundation, Inc. and Affiliate  
Schedule of Compensation, Benefits and Other Payments to Agency Head**

*For the Year Ended June 30,*

**2021**

Agency Head Name: Mervin Jackson, Principal

<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$ 170,000
Benefits-health insurance	6,328
Benefits-retirement	43,959
Benefits-life insurance	42
Benefits-long term disability	465
Benefits-Fica and Medicare	28,119
Cell phone	932
Dues	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Meetings and conventions	-
Other	-
	<hr/> <hr/> <b>\$ 249,847</b>



**Warren Easton Charter High School Foundation, Inc.**

**BESE AGREED-UPON PROCEDURES REPORT**

**June 30, 2021**



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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of  
Warren Easton Charter High School Foundation, Inc.  
and the Louisiana Legislative Auditor  
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Warren Easton Charter High School Foundation, Inc. (a nonprofit organization) (the School) for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious error and omissions, in compliance with Louisiana Revised Statute 24:514 I. The School's management is responsible for the performance and statistical data.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and results are as follows:

### **General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)**

1. We will select a random sample of 25 transactions, review supporting documentation, and observe that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and



- Nonpublic Transportation Revenue

**Results:** No exceptions were found as a result of applying the procedures.

**Class Size Characteristics (Schedule 2)**

2. We will obtain a list of classes by school, school type, and class size as reported on the schedule. We will then trace a sample of 10 classes to the October 1st roll books for those classes and observe that the class was properly classified on the schedule.

**Results:** No exceptions were found as a result of applying the procedures.

**Education Levels/Experience of Public School Staff (No Schedule)**

3. We will obtain October 1st PEP data submitted to the Louisiana Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtain management's representation that the data/listing was complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

**Results:** No exceptions were found as a result of applying the procedures.

**Public School Staff Data: Average Salaries (No Schedule)**

4. We will obtain June 30th PEP data submitted to the Louisiana Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtain management's representation that the data/listing was complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

**Results:** No exceptions were found as a result of applying the procedures.

We were engaged by the School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Warren Easton Charter High School Foundation, Inc., as required by Louisiana Revised Statute 24:514 I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Carr, Rigg & Ingram, L.L.C.*

Metairie, Louisiana  
March 31, 2022

**Warren Easton Charter High School Foundation, Inc.**  
**Schedule 1**

**General Fund Instructional and Support Expenditures and  
Certain Local Revenue Sources  
For the Year Ended June 30, 2021**

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General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 3,158,349	
Other instructional staff activities	-	
Instructional staff employee benefits	1,407,646	
Purchased professional and technical services	65,944	
Instructional materials and supplies	136,644	
Less instructional equipment	-	
Total teacher and student interaction activities	4,768,583	

Other instructional activities	643,684
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Pupil support activities	1,046,172
Less equipment for pupil support activities	-
Net pupil support activities	1,046,172

Instructional Staff Services	284,453
Less equipment for instructional staff services	-
Net instructional staff services	284,453

School Administration	940,923
Less: Equipment for school administration	-
Net school administration	940,923

Total general fund instructional expenditures	\$ 7,683,815
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Certain Local Revenue Sources

Not applicable to the School

**Warren Easton Charter High School Foundation, Inc.**  
**Schedule 2**

**Class Size Characteristics**  
**As of October 1, 2021**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	40%	183	33%	121	9%	62	1%	3
High Activity Classes	2%	8	1%	12	3%	5	1%	9
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-