

**HELIX NETWORK OF EDUCATIONAL CHOICES  
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

**FINANCIAL REPORT**

June 30, 2021

**HELIX NETWORK OF EDUCATIONAL CHOICES  
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

**TABLE OF CONTENTS**

June 30, 2021

	<u><b>Exhibit</b></u>	<u><b>Page</b></u>
<b>INDEPENDENT AUDITORS' REPORT</b>		1
<b>FINANCIAL STATEMENTS</b>		
Statement of Financial Position	A	3
Statement of Activities	B	4
Statement of Cash Flows	C	5
Statement of Functional Expenses	D	6
Notes to Financial Statements	E	7
<b>SUPPLEMENTARY INFORMATION</b>	<u><b>Schedule</b></u>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	1	16
<b>REPORT ON INTERNAL CONTROL AND COMPLIANCE</b>		
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 <i>Government Auditing Standards</i>		18
Schedule of Findings and Responses		20
Schedule of Prior Year Findings and Responses		21



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Helix Network of Educational Choices  
D/B/A Mentorship Academy  
Baton Rouge, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of **HELIX NETWORK OF EDUCATIONAL CHOICES D/B/A MENTORSHIP ACADEMY** (a non-profit organization) (the Academy), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the 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 entity's 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Academy as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Academy's 2020 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated December 23, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 16 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021, on our consideration of the Academy's 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 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 the effectiveness of the Academy's 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 Academy's internal control over financial reporting and compliance.

  
Faulk & Winkler, LLC  
Certified Public Accountants

Baton Rouge, Louisiana  
December 23, 2021

**HELIX NETWORK OF EDUCATIONAL CHOICES  
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

**STATEMENT OF FINANCIAL POSITION**

June 30, 2021

(with comparative amounts for 2020)

**ASSETS**

<b>CURRENT ASSETS</b>	<b>2021</b>	<b>2020</b>
Cash	\$ 402,013	\$ 618,166
Receivables	460,413	546,306
Due from related party	56,600	-
Prepaid expenses and other	56,988	59,651
Total current assets	976,014	1,224,123
<b>PROPERTY, net</b>	<b>830,125</b>	<b>912,281</b>
Total assets	<u>\$ 1,806,139</u>	<u>\$ 2,136,404</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 235,836	\$ 149,081
Accrued salaries, benefits, and compensated absences	300,943	261,934
Student activity funds	19,242	7,894
Capital lease obligations, current portion	20,696	28,903
Line of credit	-	240,000
Note payable, current portion, less unamortized loan issuance costs	-	809,230
Total current liabilities	576,717	1,497,042
<b>LONG-TERM LIABILITIES</b>		
Capital lease obligations, less current portion	-	20,696
Total liabilities	576,717	1,517,738
<b>NET ASSETS</b>		
Without donor restrictions	1,229,422	590,043
With donor restrictions	-	28,623
Total net assets	<u>1,229,422</u>	<u>618,666</u>
Total liabilities and net assets	<u>\$ 1,806,139</u>	<u>\$ 2,136,404</u>

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

**HELIX NETWORK OF EDUCATIONAL CHOICES  
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

**STATEMENT OF ACTIVITIES**

For the year ended June 30, 2021  
(with comparative amounts for 2020)

	Without Donor	With Donor	Totals	
	Restrictions	Restrictions	2021	2020
<b>REVENUES AND SUPPORT</b>				
State grant - Minimum Foundation Program (MFP)	\$ 5,387,019	\$ -	\$ 5,387,019	\$ 6,109,773
Federal grants:				
Food program	57,336	-	57,336	321,225
Title I	107,026	-	107,026	93,909
Contributions (See Notes 5 and 6)	1,086,702	-	1,086,702	724,766
Other income	159,198	-	159,198	94,766
Total revenues and support	<u>6,797,281</u>	<u>-</u>	<u>6,797,281</u>	<u>7,344,439</u>
Changes in net asset restrictions:				
Released from restrictions	28,623	(28,623)	-	-
Total revenues, support and releases from restriction	<u>6,825,904</u>	<u>(28,623)</u>	<u>6,797,281</u>	<u>7,344,439</u>
<b>EXPENSES</b>				
Program services	3,653,538	-	3,653,538	4,080,554
Operations and maintenance	1,573,062	-	1,573,062	1,604,288
General and administrative	959,925	-	959,925	1,057,016
Total expenses	<u>6,186,525</u>	<u>-</u>	<u>6,186,525</u>	<u>6,741,858</u>
Changes in net assets	639,379	(28,623)	610,756	602,581
<b>NET ASSETS</b>				
Beginning of year	<u>590,043</u>	<u>28,623</u>	<u>618,666</u>	<u>16,085</u>
End of year	<u>\$ 1,229,422</u>	<u>\$ -</u>	<u>\$ 1,229,422</u>	<u>\$ 618,666</u>

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

**HELIX NETWORK OF EDUCATIONAL CHOICES  
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

**STATEMENT OF CASH FLOWS**

For the year ended June 30, 2021  
(with comparative amounts for 2020)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 610,756	\$ 602,581
Adjustments to reconcile change in net asset to net cash provided by operating activities:		
Depreciation expense	132,455	138,219
Non-cash contributions	(1,081,866)	-
Change in operating assets and liabilities:		
Decrease in receivables and due from related party	29,293	21,129
Decrease (increase) in prepaid expenses and other	2,663	(19,651)
Increase (decrease) in accounts payable and other liabilities	<u>137,112</u>	<u>(195,869)</u>
Net cash (used) provided by operating activities	<u>(169,587)</u>	<u>546,409</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on note payable	(17,664)	(40,184)
Payments on capital lease obligations	<u>(28,902)</u>	<u>(33,283)</u>
Net cash used by financing activities	<u>(46,566)</u>	<u>(73,467)</u>
Net (decrease) increase in cash	(216,153)	472,942
<b>CASH</b>		
Beginning of year	<u>618,166</u>	<u>145,224</u>
End of year	<u>\$ 402,013</u>	<u>\$ 618,166</u>
<b>Supplemental disclosure of noncash investing and financing activities:</b>		
Liabilities satisfied through non-cash contributions	<u>\$ 1,031,566</u>	<u>\$ -</u>
Property acquired through non-cash contribution	<u>\$ 50,300</u>	<u>\$ -</u>
Property acquired through capital lease obligation	<u>\$ -</u>	<u>\$ 91,765</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for interest	<u>\$ 65,619</u>	<u>\$ 59,624</u>

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

**HELIX NETWORK OF EDUCATIONAL CHOICES**  
**D/B/A MENTORSHIP ACADEMY**  
Baton Rouge, Louisiana

**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended June 30, 2021  
(with summarized comparative totals for 2020)

	<b>Function</b>			<b>Totals</b>	
	<b>Program</b>	<b>Operations and</b>	<b>General and</b>		
	<b>Services</b>	<b>Maintenance</b>	<b>Administrative</b>	<b>2021</b>	<b>2020</b>
Salaries and benefits	\$ 2,971,043	\$ -	\$ 448,323	\$ 3,419,366	\$ 3,716,609
Rent	-	1,048,903	-	1,048,903	1,002,608
Professional services	72,348	127,261	334,490	534,099	530,420
Student transportation	220,277	-	-	220,277	341,190
Depreciation	115,088	-	17,367	132,455	138,219
Materials and supplies	76,450	31,804	19,966	128,220	191,893
Food and beverage	123,809	-	-	123,809	316,503
Property taxes	-	120,898	-	120,898	64,510
Utilities	-	108,103	-	108,103	85,134
Insurance	-	-	93,909	93,909	82,735
Repairs and maintenance	-	70,474	-	70,474	86,266
Interest	-	65,619	-	65,619	59,624
Legal	-	-	41,253	41,253	31,925
Telephone and internet	30,599	-	4,617	35,216	17,619
Professional development	11,683	-	-	11,683	42,912
Recruiting	1,533	-	-	1,533	858
Other	30,708	-	-	30,708	32,833
<b>Total expenses</b>	<b>\$ 3,653,538</b>	<b>\$ 1,573,062</b>	<b>\$ 959,925</b>	<b>\$ 6,186,525</b>	<b>\$ 6,741,858</b>

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



# **HELIX NETWORK OF EDUCATIONAL CHOICES D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization and operations**

Helix Network of Education Choices d/b/a Mentorship Academy (the Academy) was incorporated on July 1, 2010, as a non-profit corporation under the laws of the State of Louisiana. The Academy operates under a contract with the East Baton Rouge Parish School System (EBRPSS) to operate a Type 1 charter school. The Academy currently has a contract with EBRPSS to operate a charter school through June 30, 2022. The Academy is a public, tuition free, charter school for students in ninth through twelfth grades in East Baton Rouge Parish. The Academy's mission is to develop young adults who learn continuously as our economies and communities change through mentoring relationships with industry professionals. The Academy started its tenth year with approximately 440 students for the 2020-2021 school year.

#### **Financial statement presentation**

The Academy reports information regarding its financial position and activities according to two classes of net assets which are without donor restrictions and with donor restrictions, which are described as follows:

*Net assets without donor restrictions* are net assets that are for general use and not subject to restriction.

*Net assets with donor restriction* are net assets subject to donor-imposed stipulations that may or will be met by actions of the Academy and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Academy did not have any net assets with donor restrictions at June 30, 2021.

The statement of activities presents expenses of the Academy's operations functionally between program services, operations and maintenance, and general and administrative.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Academy's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of accounting**

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

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and allocation of functional expenses.

**Revenues and support**

The Academy receives the significant portion of its revenue from the Minimum Foundation Program (MFP) through EBRPSS. The amount of MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes on a per student basis.

Other funding sources of the Academy are related to federal funds that are provided through the Louisiana Department of Education and the East Baton Rouge Parish School Board. These federal funds are typically for food service that is based on the number of students, which is restricted in use. The Academy also receives various other federal funds, which are solicited based on the needs of the Academy each school year.

The Academy recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Conditional contributions or promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions. The Academy did not have any promises to give at June 30, 2021.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair value financial instruments**

The carrying value of cash, receivables, prepaid expenses, accounts payable, and accrued expenses approximates fair value due to the short-term maturity of these instruments. The carrying value of short and long-term debt approximates fair value based on the current rate offered for debt of comparable maturities and collateral requirements. None of the financial instruments are held for trading purposes.

**Cash**

Cash, for purposes of the statement of cash flows, consists of cash on hand, demand deposit and savings accounts. The Academy typically maintains cash in local banks that may, at times, exceed FDIC insured limits of \$250,000. Management believes the risk is limited.

**Receivables**

The receivables are stated at the amount management expects to collect. Management considers all amounts to be collectible; therefore, no allowance has been recorded at June 30, 2021. The Academy had receivables of \$36,270 outstanding for greater than 90 days.

**Property**

Property is recorded at cost less accumulated depreciation. The Academy's policy requires assets with unit cost greater than \$500 to be capitalized as property. If an asset is donated to the Academy by a third party, its fair market value at the time of the acquisition shall be considered as the acquisition cost. Property acquired with grant funds are disposed of in accordance with grantor requirements. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. Expenses for maintenance and repairs are expensed as incurred.

**Compensated absences**

The Academy's compensated absence policy states instructional staff members can earn up to seven days of vacation and sick leave during the fiscal year, are allowed to carryover unused vacation and sick days from year to year. After three years of service, employees are eligible to receive a payout of any unused paid time off. A request for payout must be made to the Supervisor for approval. Non-instructional staff members may earn up to fifteen vacation and sick days and can carryover five days at year end, for a maximum annual benefit of twenty days. At June 30, 2021, the Academy had \$91,501 in accrued compensated absences.

**Tax exempt status**

The Academy is a non-profit organization that is exempt from federal income taxes under Section 501(c)(3) if the Internal Revenue Code. The Academy's open audit periods are 2017 through 2020.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional expenses**

The financial statements report certain expense categories that are attributable to more than one service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, and other occupancy costs, are allocated to general and administrative expenses. Program service expenses are based on the direct costs associated with the program.

**Subsequent events**

Subsequent events and transactions for potential recognition or disclosure in the financial statements were evaluated through December 23, 2021, which was the date the financial statements were available to be issued.

**NOTE 2 - PROPERTY**

Property, service lives, and accumulated depreciation at June 30, 2021 were as follows:

	<u>Estimated Service Lives</u>	<u>Amount</u>
Leasehold improvements	5-20 years	\$ 1,305,252
Furniture, fixtures, and equipment	3-15 years	971,290
		<u>2,276,542</u>
Less accumulated depreciation		<u>(1,446,417)</u>
Property, net		<u><u>\$ 830,125</u></u>

Depreciation expense was \$132,455 for 2021.

As of June 30, 2021, the Academy has capitalized equipment acquired through capital leases with a cost of \$91,765 and corresponding accumulated amortization of \$80,293. Amortization for these assets was \$30,579 in 2021 and is included in depreciation expense.

**NOTE 3 - LONG TERM DEBT**

Long-term debt as of June 30, 2021, consisted of the following:

	<u>Amount</u>
\$45,840 capital lease obligation, interest at 2.7% and due in monthly installments of \$1,240, including interest through February 2022.	\$ 14,259
\$45,925 capital lease obligation, interest at 5.4% and due in monthly installments of \$1,284, including interest through November 2021.	6,437
Total long-term debt	\$ 20,696

All debt is collateralized by the assets purchased.

Future maturities of long-term debt are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 20,696

In September 2016, the Academy entered into a loan agreement with a financial institution for \$900,000, maturing in September 2018 and was refinanced to extend the maturity date to February 2021. In June 2021, the Academy's remaining loan balance was paid off on its behalf by Helix STEAM Properties as part of a tax-exempt bond transaction and purchase of the building in support of the Academy, which totaled \$791,566. This transaction was recorded as a contribution to the Academy and is reported in the statement of activities as a contribution. See Note 5 for more information.

**NOTE 4 - LINE OF CREDIT**

The Academy has a variable interest rate (prime rate of the lender plus 2%, for an effective rate of 5.25% at June 30, 2021) revolving line of credit with a borrowing limit of \$250,000. The line of credit is payable on demand, matures on January 16, 2023, and is collateralized by the Academy's deposits held with the creditor's institution.

In June 2021, the Academy had its outstanding line of credit balance of \$240,000 paid off on its behalf by Helix STEAM Properties as referenced in Note 3 as part of the bond transaction. This transaction is reported in the statement of activities as a contribution. See Note 5 for more information.

The Academy had no outstanding balance on its line of credit as of June 30, 2021.

**NOTE 5 - NONCASH CONTRIBUTIONS**

In June 2021, Helix STEAM Properties (a nonprofit organization) issued tax-exempt bonds for the purpose of financing the acquisition, renovation and equipping of existing facilities for the operation of the Academy. The purpose of the acquisition was to support the Academy, where the Academy would enter into an agreement with Helix STEAM Properties to lease the facilities and make monthly lease payments in amounts sufficient to pay the monthly principal and interest obligations of the tax-exempt bond. The facilities acquired by Helix STEAM Properties were previously owned by a private company and leased to the Academy during the 2021 fiscal year.

As part of the lease agreement and in accordance with the tax-exempt bond transaction, Helix STEAM Properties paid the outstanding balances on the Academy's loan and line of credit (see Notes 3 and 4), in the amounts of \$791,566 and \$240,000, respectively. Additionally, Helix STEAM Properties paid for building improvements on behalf of the Academy which totaled \$50,300. The amounts paid on behalf of the Academy by Helix STEAM Properties are recorded as contributions in the statement of activities See Note 11 for future lease commitments under this lease agreement.

Helix STEAM Properties governing board is independent of the Academy's governing board.

**NOTE 6 - NET ASSETS**

On April 30, 2020, the Academy received a Paycheck Protection Program (PPP) loan in the amount of \$722,400. This loan was recognized as a restricted contribution as the Academy did not fully expend the proceeds received under the program during 2020 and the unspent balance was reported as net assets with donor restrictions at June 30, 2020. During the 2021 fiscal year, the Academy spent the remaining amounts in accordance with the PPP guidelines and was released into net assets without donor restrictions on the statement of activities. The Academy's forgiveness application was fully approved by the Small Business Administration on August 5, 2021.

**NOTE 7 - RETIREMENT PLAN**

The Academy sponsors an Internal Revenue Code Section 403(b) Plan which covers substantially all employees of the Academy immediately upon employment. Employees may contribute up to the lesser of \$19,500 or 100% of includable compensation. The Academy matches 100% of the employee's elective contribution to the retirement plan, not to exceed 4% of the employee's compensation. Employer contributions were \$34,244 for 2021.

**NOTE 8 - CONCENTRATIONS**

The Academy receives the majority of its operating revenue from state and federal grants. The percentage of revenue and receivables from these sources is as follows:

	Revenues	Receivables
Minimum Foundation Program (MFP) grant	79%	93%
Food program grant	1%	1%
Title I grant	2%	3%
Contributions	16%	0%
Other	2%	3%
Total	100%	100%

**NOTE 9 - COMMITMENT AND CONTINGENCIES**

**Lease - Senior Center**

The Academy leases Senior Center facilities under an operating lease with base monthly payments of \$10,000. On July 1<sup>st</sup> of each year, the payment amount is increased by 3%. The lease expires in June 2024. Lease expense for 2021 was \$122,400.

The estimated future minimum payments under this lease at June 30, 2021, are as follows:

For the year ended June 30,	Amount
2022	\$ 127,300
2023	131,100
2024	135,000
Total	\$ 393,400

**NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Academy's financial assets available within one year of the balance sheet date for general expenditure are as follows.

	Amount
Financial assets, at year-end	
Cash	\$ 402,013
Receivables	460,413
Due from related party	56,600
Financial assets available within one year, at year end	\$ 862,426

**NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)**

As part of the Academy's liquidity management, the Academy maintains sufficient cash funds during the year attributable to the annual cash receipts from federal, state, and local grants, and contributions from foundations and individuals. To help manage unanticipated liquidity needs, the Academy has committed a line of credit in the amount of \$250,000, which it could draw upon. As of June 30, 2021, \$250,000 was available.

**NOTE 11 - SUBSEQUENT EVENTS**

**Management Company**

The Academy entered a contract for certain management and administrative services with Helix Community Schools, which is based on 15 percent of revenues. This contract begins August 2021 for the Academy's 2021-2022 school year. Expenses under this contract will cover human resources and accounting services along with the cost of the Academy's school leader, and other expenses previously paid for by the Academy. Estimated management and administrative expenses for the year ending June 30, 2022 is \$897,000.

At June 30, 2021, the Academy is owed \$56,600 from Helix Community Schools for the reimbursement of salaries and is reflected as due from related party on the statement of financial position. These amounts have no repayment terms.

**Lease - Building**

The Academy entered into a leasing arrangement with Helix STEAM Properties on July 1, 2021 for a 35 year lease of the Academy's main campus. The leasing arrangement requires incremental increases each year. See Note 5 for additional information.

The estimated future minimum payments under this lease payments are as follows:

<u>For the year ended June 30,</u>	<u>Amount</u>
2022	\$ 115,797
2023	610,465
2024	637,413
2025	687,920
2026	753,188
2027 and thereafter	<u>20,908,153</u>
Total	<u>\$ 23,712,936</u>



## **SUPPLEMENTARY INFORMATION**

**HELIX NETWORK OF EDUCATIONAL CHOICES  
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD**

June 30, 2021

**Agency Head:** Robert Webb, Jr., CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 105,667
Payroll taxes	8,083
Benefits - insurance	7,453
Benefits - retirement	4,227
Total	<u>\$ 125,430</u>

See Independent Auditors' Report.

**Report on Internal Control and Compliance**  
**HELIX NETWORK OF EDUCATIONAL CHOICES**  
**D/B/A MENTORSHIP ACADEMY**  
Baton Rouge, Louisiana

June 30, 2021

**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  
Helix Network of Educational Choices  
D/B/A Mentorship Academy  
Baton Rouge, 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 financial statements of **HELIX NETWORK OF EDUCATIONAL CHOICES D/B/A MENTORSHIP ACADEMY** (the Academy) (a non-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Academy's 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's 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 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 Academy's 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 Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the Board of Directors, management, state and federal granting agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Certified Public Accountants

Baton Rouge, Louisiana  
December 23, 2021

**HELIX NETWORK OF EDUCATIONAL CHOICES  
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

**SCHEDULE OF FINDINGS AND RESPONSES**

For the year ended June 30, 2021

**1) Summary of Auditors' Results:**

A) The type of report issued on the financial statements: **Unmodified opinion.**

B) Significant deficiency in internal control were disclosed by the audit of financial statements: **None.**

Material weaknesses: **None.**

C) Noncompliance that is material to the financial statements: **None.**

D) Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **None.**

**HELIX NETWORK OF EDUCATIONAL CHOICES  
D/B/A MENTORSHIP ACADEMY**

Baton Rouge, Louisiana

**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

For the year ended June 30, 2021

**There were none.**