

**LAKE FOREST ELEMENTARY  
CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

Annual Financial Statements

June 30, 2021



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## **Independent Auditor's Report**

To the Board of Directors  
Lake Forest Elementary Charter School  
New Orleans, Louisiana

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

We have audited the accompanying financial statements of Lake Forest Elementary Charter School (the School) which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses, and cash flows 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 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.

### **Auditor's 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 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 auditor's 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 auditor considers 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 Lake Forest Elementary Charter School 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.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of board of directors and the schedule of compensation, benefits, and other payments to agency head or chief executive officer, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), are presented for purposes of additional analysis and are 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 11, 2021, on our consideration of the School'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 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 the effectiveness of the School'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 School's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA  
December 11, 2021

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Financial Position  
June 30, 2021**

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**Assets**

**Current Assets**

Cash and Cash Equivalents	\$ 3,328,262
Prepaid Expenses	91,258
Grants Receivable	147,370
Other Receivables	<u>7,724</u>

**Total Current Assets** 3,574,614

**Fixed Assets**

Furniture and Equipment	52,644
Leasehold Improvements	960,585
Accumulated Depreciation	<u>(252,770)</u>

**Total Fixed Assets, Net** 760,459

**Other Assets**

Certificate of Deposit	<u>2,479,177</u>
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**Total Assets** \$ 6,814,250

**Current Liabilities**

Accounts Payable	\$ 13,692
Accrued Liabilities	37,142
Deferred Revenue	<u>21,934</u>

**Total Current Liabilities** 72,768

**Net Assets**

Without Donor Restrictions	6,721,482
With Donor Restrictions	<u>20,000</u>

**Total Net Assets** 6,741,482

**Total Liabilities and Net Assets** \$ 6,814,250

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Activities  
For the Year Ended June 30, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Grants, and Other Support</b>			
State and Local Public School Funding	\$ 6,057,315	\$ -	\$ 6,057,315
Federal Grants	2,177,939	-	2,177,939
Other Income	99,080	-	99,080
Donations	78,609	1,000	79,609
State Grants	13,643	-	13,643
	<hr/>		
<b>Total Revenue, Grants, and Other Support</b>	8,426,586	1,000	8,427,586
	<hr/>		
<b>Expenses</b>			
Education Programs	6,346,915	-	6,346,915
Management and General	1,434,129	-	1,434,129
Fundraising	3,383	-	3,383
	<hr/>		
<b>Total Expenses</b>	7,784,427	-	7,784,427
	<hr/>		
<b>Change in Net Assets</b>	642,159	1,000	643,159
	<hr/>		
<b>Net Assets, Beginning of Year</b>	6,079,323	19,000	6,098,323
	<hr/>		
<b>Net Assets, End of Year</b>	\$ 6,721,482	\$ 20,000	\$ 6,741,482
	<hr/>		

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Functional Expenses  
For the Year Ended June 30, 2021**

	<b>Program Services</b>		<b>Supporting Services</b>		<b>Total</b>
	<b>Education Programs</b>	<b>Management and General</b>	<b>Fundraising</b>		
Salaries	\$ 3,844,680	\$ 731,421	\$ -	\$ 4,576,101	
Employee Benefits	1,279,714	278,892	-	1,558,606	
Supplies, Materials, and Textbooks	255,365	7,334	-	262,699	
Purchased Services	73,125	162,567	-	235,692	
Food Services	232,886	-	-	232,886	
Equipment	188,989	-	-	188,989	
Utilities	182,053	-	-	182,053	
Repairs	113,801	15,173	-	128,974	
Administration Fee	-	121,146	-	121,146	
Insurance	1,097	106,400	-	107,497	
Security	74,710	-	-	74,710	
Depreciation	58,574	-	-	58,574	
Miscellaneous and Dues	14,008	11,196	-	25,204	
Phone, Internet, and Postage	14,608	-	-	14,608	
Property Services	13,305	-	-	13,305	
Fundraising	-	-	3,383	3,383	
<b>Total</b>	<b>\$ 6,346,915</b>	<b>\$ 1,434,129</b>	<b>\$ 3,383</b>	<b>\$ 7,784,427</b>	

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



**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Cash Flows  
For the Year Ended June 30, 2021**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 643,159
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	58,574
Increase in Grants Receivable	(36,191)
Decrease in Other Receivables	4,443
Increase in Prepaid Expenses	(38,297)
Decrease in Accounts Payable	(185,388)
Decrease in Accrued Liabilities	(32,381)
Increase in Deferred Revenue	21,594
	<u>21,594</u>
<b>Total Adjustments</b>	<u>(207,646)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>435,513</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of Certificates of Deposit	<u>(45,735)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(45,735)</u>
<b>Cash Flows from Financing Activities</b>	
Forgiveness of Paycheck Protection Program Loan	<u>(936,122)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(546,344)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>3,874,606</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 3,328,262</u>

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

Lake Forest Elementary Charter School (the School) was created as a nonprofit corporation under the laws of the State of Louisiana on March 14, 2006. The School applied to the NOLA Public Schools to operate a Type 3 charter school. In July 2011, the School received a 10-year extension of the charter. The School serves eligible students in kindergarten through eighth grade.

Although the School leases its building rent free, it does pay an annual usage and damage fee. The NOLA Public Schools constructed a new building to which the School relocated in January 2016.

Effective July 1, 2017, the NOLA Public Schools approved the School's request to operate as its own local educational agency.

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**Basis of Presentation**

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. The School is required to record unconditional promises to give (pledges) as receivables and revenues and to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Under FASB ASC 958, the School is required to report information regarding its financial position and activities according to two classes of net assets:

*Net Assets Without Donor Restrictions* - Net assets that are resources available to support operations.

*Net Assets With Donor Restrictions* - Net assets that are resources that are restricted by the donor for use for a particular purpose or in a particular future period. When the 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 financial statements. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions.

In addition, the School is required to present a statement of cash flows.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Revenues and Support**

State Public School Funding

The School's primary source of funding is through the State Public School Fund. The School receives funding per eligible student in attendance on October 1<sup>st</sup>, payable in monthly installments. The October 1<sup>st</sup> student count is audited by the Louisiana Department of Education. Adjustments are made in the following year.

Federal and State Grants

Federal and state grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Private Grants and Contributions

Private grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The School will not recognize a conditional promise to give until the conditions on which the promise depends are substantially met. Contributions are reported as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. Contributions expected to be collected in less than one year are reported at net realizable value. Those expected to be collected in more than one year are recorded at fair value at the date of the promise and are discounted at an appropriate discount rate. Future amortization of the discount will be included in contribution revenue. Management closely monitors outstanding balances and writes off any balances deemed uncollectible.

Other Income

Revenue from other sources, including student activities and fees, fundraisers, facility rentals, and after-care tuition, are recorded and recognized as revenue in the period in which the School provides the service at the amount that reflects the consideration to which the School expects to be entitled for providing the service or good.

Contracts vs. Contributions

The School utilizes the guidance in FASB Accounting Standards Update (ASU) 2018-08 in the assessment of whether a revenue is an exchange transaction (contract) or contribution (non-contract) and considers factors including commensurate value received, reciprocity, and donor-imposed conditions. Performance obligations are determined based on the nature of the services provided by the School. Revenue from performance obligations satisfied over time is recognized based on actual time incurred in relation to the total expected period of providing the service, which is deemed to be the school year, which is simultaneous with the fiscal year. The School believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Revenues and Support (Continued)**

Contracts vs. Contributions (Continued)

Generally, performance obligations satisfied over time relate to student activities and fees and tuition. The School measures the performance obligation throughout the school year. Revenue for performance obligations satisfied at a point in time, which include mainly income from meals and are generally immaterial, are recognized when services are provided. The School determines the transaction price based on standard charges for goods or services provided to students, which are predetermined by management. Fees are generally nonrefundable, and total refunds issued annually are considered negligible.

**Fixed Assets and Depreciation**

Fixed assets are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School.

**Income Taxes**

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

**Statement of Cash Flows**

For purposes of the statement of cash flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

**Use of Estimates**

The preparation of 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.

**Concentrations**

The School received 72% of its revenues in the year ended June 30, 2021 from the state and local public school funding and 26% of its funding from the federal government.

As noted earlier, the School is leasing its building from the NOLA Public Schools rent free. Should this lease not be extended further, it would have an unfavorable impact to the School.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncements - Not Yet Adopted**

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2021. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

**Liquidity and Availability**

The School's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. It regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources that the School has available. In addition, the School operates with a budget to monitor sources and uses of funds throughout the year.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 3,308,262
Grants Receivable	147,370
Other Receivables	<u>7,724</u>
<b>Total</b>	<b><u>\$ 3,463,356</u></b>

**Note 2. Cash and Certificate of Deposit**

The School's cash and cash equivalents (book balances) at June 30, 2021 were \$3,328,262, which are stated at cost and approximate market.

The School periodically maintains cash in bank accounts in excess of insured limits. The School has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

The School's investments are limited to a certificate of deposit totaling \$2,479,177, which is stated at cost and approximates market.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 3. Fixed Assets**

Depreciation expense for the year ended June 30, 2021 was \$58,574. Depreciation is calculated using the straight-line method with useful lives of 5 to 30 years.

All assets acquired with Louisiana Department of Education funds are owned by the School while used in the purpose for which they were purchased. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

**Note 4. Accrued Liabilities**

As of June 30, 2021, the School has recorded accrued liabilities of \$37,142, which consists of accrued salaries and payroll liabilities.

**Note 5. Designated Net Assets**

At June 30, 2021, \$858,913 of unrestricted net assets represent funds raised by the Parent Teacher Organization which are designated to support the operations of the School.

**Note 6. Restriction on Assets**

Net assets with donor restrictions are restricted by donors for specific programs, purposes, or to assist specific departments of the School. These restrictions are considered to expire when payments for restricted purposes are made. At June 30, 2021, the School had \$20,000 in net assets with donor restrictions.

**Note 7. Retirement Plans**

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana. The system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows.

**Teachers' Retirement System of Louisiana (TRSL)**

*Plan Description:* The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123. At June 30, 2021, the TRSL was 83.2% funded.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 7. Retirement Plans (Continued)**

**Teachers' Retirement System of Louisiana (TRSL) (Continued)**

*Funding Policy:* Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the year ended June 30, 2021, the employer contribution rate was 25.8%. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's employer contributions to the plan for the years ended June 30, 2021, 2020, and 2019 were \$1,028,161, \$1,018,507, and \$1,005,807, respectively, which were equal to the required contributions. The School's first year to contribute to the plan was the year ended June 30, 2007.

**403b Plan**

The School provides a 403b defined contribution plan for its maintenance employees. The School provides a 4% match of employee contributions which totaled \$15,061 for the year ended June 30, 2021.

**Note 8. Uncertain Income Taxes**

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The School believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

**Note 9. Risks and Uncertainties**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the School operates.

While it is unknown how long these conditions will last and what the complete financial effect will be to the School, at this time the School is experiencing moderate disruptions, including conversions to digital learning options, additional costs related to sanitization and technology supplies, and reductions in enrollment due to alternative school options. The School's concentrations due to significant state and federal funding make it reasonably possible that the School is vulnerable to the risk of a near-term significant impact. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near-term as a result of these conditions.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 10. Note Payable**

On May 6, 2020, the School entered into a U.S. Small Business Association (SBA) Paycheck Protection Program (PPP) loan with Liberty Bank in the amount of \$936,122, at an interest rate of 1.00% per annum, with the first six months of interest deferred. The PPP loan has a term of two years and is unsecured and guaranteed by the SBA. On November 2, 2020, the PPP loan was forgiven in full along with accrued interest.

**Note 11. Subsequent Events**

In accordance with FASB ASC 855, the School has evaluated subsequent events through December 11, 2021, the date that these financial statements were available to be issued and determined that the following event occurred that require disclosure.

Effective July 6, 2021, the School's charter was renewed for the period commencing on July 1, 2021 and expiring on June 30, 2031. Accordingly, the School entered into a new charter school operating agreement.

On September 21, 2021, the School was recognized as a National Blue Ribbon School for the 2<sup>nd</sup> time.

No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



## **SUPPLEMENTARY INFORMATION**

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Board of Directors  
For the Year Ended June 30, 2021**

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<b><u>Board Members</u></b>	<b><u>Compensation</u></b>
Gina Dupart, President 6652 Manchester Road New Orleans, LA 70126	\$-0-
Kathelyn Courseault 4850 Evangeline Drive New Orleans, LA 70127	\$-0-
Leila Eames 5820 Eastover Drive South New Orleans, LA 70128	\$-0-
Denise Williams 2342 Prentiss Avenue New Orleans, LA 70122	\$-0-
Windi Brown Smith 5629 Berkley Drive New Orleans, LA 70131	\$-0-
Brian K. Richburg, Sr. 7710 Wave Drive New Orleans, LA 70128	\$-0-
Enix Smith, III 7009 Lake Willow Drive New Orleans, LA 70126	\$-0-

See independent auditor's report

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
 NEW ORLEANS, LOUISIANA  
 Schedule of Compensation, Benefits, and Other Payments to  
 Agency Head or Chief Executive Officer  
 For the Year Ended June 30, 2021**

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**Agency Head**

Mardele S. Early, Founding Chief Executive Officer

<b>Purpose</b>	<b>Amount</b>
Salary	\$201,000
Benefits - Health Insurance	\$5,222
Benefits - Retirement	\$51,858
Benefits - Life Insurance	\$276
Benefits - Worker's Compensation	\$57
Benefits - Dental	\$230
Benefits - Vision	\$55
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report

**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**

Independent Auditor's Report

To the Board of Directors  
Lake Forest Elementary Charter School  
New Orleans, Louisiana

We have audited, 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, the financial statements of Lake Forest Elementary Charter School (the School), which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 School'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 financial statements. 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 School'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 School's internal control and compliance. Accordingly, this communication 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA  
December 11, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Directors  
Lake Forest Elementary Charter School  
New Orleans, Louisiana

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

We have audited Lake Forest Elementary Charter School's (the School) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the School's major federal programs 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's 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 each major federal program. However, our audit does not provide a legal determination of the School's compliance.

### **Opinion on Each Major Federal Program**

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

### **Report on Internal Control Over Compliance**

Management of the School 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 School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 School's 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 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.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
December 11, 2021

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>Assistance Listing Number</b>	<b>Pass Through Grantor Number</b>	<b>Federal Expenditures</b>
<b>United States Department of Education</b>			
(Passed through the Orleans Parish School Board)			
Title I Grants to Local Educational Agencies (Major Program)	84.010	21T1	\$ 334,378
Special Education - Grants to States	84.027	21IB	137,820
English Language Acquisition Grant	84.365	None	5,945
Improving Teacher Quality State Grants	84.367	21T2	65,826
Title IV - Student Support and Academic Enrichment	84.424	21T4S	22,372
COVID-19: CARES Act Elementary and Secondary School Emergency Relief Fund	84.425D	21IP	<u>462,440</u>
<b>Total United States Department of Education</b>			1,028,781
<b>United States Department of Agriculture</b>			
(Passed through the State of Louisiana)			
Child Nutrition Cluster	10.555	SFSP	<u>213,036</u>
<b>Total</b>			<u><u>\$ 1,241,817</u></u>

**Notes to the Schedule of Expenditures of Federal Awards**

Note 1 - The schedule is prepared on the accrual basis of accounting.

Note 2 - The School has elected to not use the 10% de minimus indirect cost rate.



**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021**

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**Section I. Summary of Auditor's Results**

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report  | Unmodified    |
| 2. Internal control over financial reporting and compliance and other matters: |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified?  | None reported |
| c. Noncompliance material to the financial statements noted?                   | No            |
| 3. Management letter comment provided?   | None          |

Federal Awards

- |   |               |
|---|---------------|
| 4. Internal control over major programs:  |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiencies identified not considered to be material weaknesses?            | None reported |
| 5. Type of auditor's report issued on compliance for major programs                         | Unmodified    |
| 6. Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |
| 7. Identification of major programs:  |               |
| 84.367 Improving Teacher Quality State Grants   |               |
| 84.424 COVID-19: CARES Act Elementary and Secondary Education School Emergency Relief Fund  |               |
| 8. Dollar threshold used to distinguish between Type A and B programs                       | \$750,000     |
| 9. Auditee qualified as a low-risk auditee under the Uniform Guidance                       | No            |

**Section II. Internal Control Over Financial Reporting**

None.

**Section III. Findings and Questioned Costs Related to Major Federal Award Programs**

None.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Prior Audit Findings  
For the Year Ended June 30, 2021**

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None.

**LAKE FOREST ELEMENTARY  
CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

Agreed-Upon Procedures  
R.S. 24:514 - Performance and Statistical Data

June 30, 2021

## Contents

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### Independent Accountant's Report on Applying Agreed-Upon Procedures

1 - 3

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### Schedules Required by Louisiana State Law (R.S. 24:514 - Performance and Statistical Data)

	<b>Schedule</b>	
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	5
Class Size Characteristics	2	6

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of  
Lake Forest Elementary Charter School  
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Lake Forest Elementary Charter School (the School) for the year ended June 30, 2021 and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. The School's management is responsible for its 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 the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among 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
  - Nonpublic Transportation Revenue

**Results:** No differences were noted.

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1<sup>st</sup> roll books for those classes and observed that the class was properly classified on the schedule.

**Results:** No differences were noted.

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

3. We obtained October 1<sup>st</sup> PEP data submitted to the 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 obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

**Results:** We noted 6 instances where the years of experience differed from the supporting documentation. Most of the differences were 1 year. We noted one instance where the education level was a masters whereas the level reported was a bachelors.

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30<sup>th</sup> PEP data submitted to the 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 obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed 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 differences were noted.

\* \* \* \* \*

We were engaged by Lake Forest Elementary Charter 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.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School Board, as required by Louisiana Revised Statute 24:514.1, 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.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Covington, LA  
December 9, 2021

**LAKE FOREST ELEMENTARY CHARTER SCHOOL**  
**Schedules Required by Louisiana State Law**  
**(R.S. 24:514 - Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2021**

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**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1 - 20, 21 - 26, 27 - 33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).



**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2021**

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures**

Teacher and Student Interaction Activities			
Classroom Teacher Salaries	\$	2,069,853	
Other Instructional Staff Salaries		108,451	
Instructional Staff Employee Benefits		900,459	
Purchased Professional and Technical Services		14,743	
Instructional Materials and Supplies		47,242	
Instructional Equipment		-	
<b>Total Teacher and Student Interaction Activities</b>	\$		3,140,748
Other Instructional Activities			30,592
Pupil Support Services			-
Less: Equipment for Pupil Support Services		409,101	
<b>Net Pupil Support Services</b>			409,101
Instructional Staff Services			499,786
Less: Equipment for Instructional Staff Services		-	
<b>Net Instructional Staff Services</b>			499,786
School Administration			886,694
Less: Equipment for School Administration		-	
<b>Net School Administration</b>			886,694
<b>Total General Fund Instructional Expenditures</b>	\$		4,966,921
<b>Total General Fund Equipment Expenditures</b>	\$		-

**Certain Local Revenue Sources**

Local Taxation Revenue			
Constitutional Ad Valorem Taxes	\$	-	
Renewable Ad Valorem Tax		-	
Debt Service Ad Valorem Tax		-	
Up to 1% of Collections by the Sheriff on Taxes		-	
Other than School Taxes		-	
Sales and Use Taxes		-	
<b>Total Local Taxation Revenue</b>	\$		-
Local Earnings on Investment in Real Property			
Earnings from 16 <sup>th</sup> Section Property	\$	-	
Earnings from Other Real Property		-	
<b>Total Local Earnings on Investment in Real Property</b>	\$		-
State Revenue in Lieu of Taxes			
Revenue Sharing - Constitutional Tax	\$	-	
Revenue Sharing - Other Taxes		-	
Revenue Sharing - Excess Portion		-	
Other Revenue in Lieu of Taxes		-	
<b>Total State Revenue in Lieu of Taxes</b>	\$		-
Nonpublic Textbook Revenue			\$ -
Nonpublic Transportation Revenue			\$ -

See independent accountant's report on applying agreed-upon procedures.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL  
 NEW ORLEANS, LOUISIANA  
 Schedule of Prior Audit Findings  
 For the Year Ended June 30, 2021**

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**Schedule 2**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	84%	269	13%	43	3%	8	0%	0

See independent accountant's report on applying agreed-upon procedures.