

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL**

FINANCIAL REPORT

JUNE 30, 2023

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL**

FINANCIAL STATEMENTS
JUNE 30, 2023
CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1 - 3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7 - 17
OTHER REPORTS AND SCHEDULES	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	19 - 20
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	21 - 23
Schedule of Findings and Questioned Costs	24
Schedule of Prior Year Findings	25
Management's Corrective Action Plan	26
Schedule of Expenditures of Federal Awards	27 - 28
Schedule of Compensation, Benefits and Other Payments	29
PERFORMANCE AND STATISTICAL DATA	
SCHEDULES REQUIRED BY STATE LAW	
Independent Accountant's Report on Applying Agreed-Upon Procedures	31 - 33
Schedules Required by Louisiana State Law (R.S. 24:514 - Performance and Statistical Data)	34
Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	35
Schedule 2 - Class Size Characteristics	36
STATEWIDE AGREED-UPON PROCEDURES	
Independent Accountant's Report on Applying Agreed-Upon Procedures	38 - 49

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Beekman Alumni and Friends, Inc.
dba Beekman Charter School
15190 A M Baker Road
Bastrop, Louisiana 71220

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of Beekman Alumni and Friends, Inc., DBA Beekman Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Beekman Charter School as of June 30, 2023 and 2022, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Beekman Charter School and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Beekman Charter School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Beekman Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Beekman Charter School's ability to continue as a going concern for a reasonable period of time.

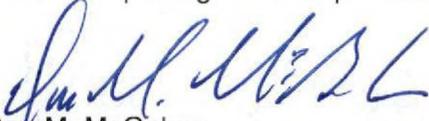
I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Supplementary Information

My audits were conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 my opinion, the schedule of compensation, benefits, and other payments and the schedule of expenditures of federal awards are 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*, I have also issued my report dated December 14, 2023, on my consideration of the Beekman Charter School's internal control over financial reporting and on my 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 my 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 Beekman Charter 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 Beekman Charter School's internal control over financial reporting and compliance.



Don M. McGehee
Certified Public Accountant
December 14, 2023

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,793,396	\$ 3,116,133
Grants Receivable	1,341,459	1,942,704
Prepaid Expense	<u>31,245</u>	<u>30,082</u>
TOTAL CURRENT ASSETS	<u>5,166,100</u>	<u>5,088,919</u>
RESTRICTED CASH	283,454	358,747
PROPERTY, PLANT AND EQUIPMENT		
Property, Plant, and Equipment, Net	8,675,124	4,867,845
Finance Lease Right-of-Use Asset, Net	<u>68,768</u>	<u>92,345</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>8,743,892</u>	<u>4,960,190</u>
TOTAL ASSETS	<u>\$ 14,193,446</u>	<u>\$ 10,407,856</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 439,203	\$ 227,320
Retainage Payable	43,489	30,063
Accrued Payroll and Related Amounts	849,184	964,859
Due to Others	72,296	42,417
Current Portion of Long-Term Debt	0	63,265
Current Portion of Finance Lease Liability	23,619	22,785
Accrued Interest Payable	0	4
Current Portion of Compensated Absences	35,707	25,980
Current Liabilities payable from Restricted Cash		
Accounts Payable	<u>7,500</u>	<u>1,289</u>
TOTAL CURRENT LIABILITIES	<u>1,470,998</u>	<u>1,377,982</u>
LONG-TERM LIABILITIES		
Finance Lease Liability (Less Current Portion)	45,563	69,182
Compensated Absences Liability	<u>297,535</u>	<u>287,590</u>
TOTAL LIABILITIES	<u>1,814,096</u>	<u>1,734,754</u>
NET ASSETS		
Without Donor Restrictions		
Undesignated	12,103,396	8,315,644
With Donor Restrictions	<u>275,954</u>	<u>357,458</u>
TOTAL NET ASSETS	<u>12,379,350</u>	<u>8,673,102</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,193,446</u>	<u>\$ 10,407,856</u>

See accompanying notes to financial statements.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
SUPPORT AND REVENUES		
Grants		
State Minimum Foundation Program	\$ 6,148,469	\$ 6,180,452
Local Minimum Foundation Program	3,879,986	3,626,444
Federal Grant	4,698,722	2,429,163
State Grant	29,000	0
Student Activity Revenue	4,053	6,349
Insurance Claim Reimbursement	25,866	0
Contributions	1,156	0
Fee Revenue	100	1,200
Other	1,038	25,228
TOTAL REVENUES WITHOUT DONOR RESTRICTIONS	14,788,390	12,268,836
Net Assets Released from Restrictions	28,500	4,858
TOTAL REVENUES AND OTHER CHANGES WITHOUT DONOR RESTRICTIONS	14,816,890	12,273,694
EXPENSES		
Program Services		
Instruction		
Regular Education Programs	5,174,339	4,829,295
Special Education Programs	423,513	408,143
Career and Technical Education Programs	90,644	84,021
Other Programs	455,607	384,977
Special Programs	198,553	113,136
Pupil Support Services	315,468	271,946
Instructional Staff Services	287,328	324,243
Operation and Maintenance of Plant Services	1,292,733	1,091,722
Student Transportation Services	842,658	758,561
Food Service Operations	315,366	0
Management and General		
General Administration	457,948	361,011
School Administration	608,339	476,765
Business Services	241,801	183,338
Central Services	296,341	515,227
Scholarships	28,500	4,858
TOTAL EXPENSES	11,029,138	9,807,243
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,787,752	2,466,451
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
School Activity Funds	(53,754)	92,323
Contributions for Scholarships	750	3,371
Net Assets Released from Restrictions	(28,500)	(4,858)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(81,504)	90,836
CHANGE IN NET ASSETS	3,706,248	2,557,287
NET ASSETS AT BEGINNING OF YEAR	8,673,102	6,115,815
NET ASSETS AT END OF YEAR	\$12,379,350	\$ 8,673,102

See accompanying notes to financial statements.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Government and Others	\$ 15,336,632	\$ 10,691,513
Cash Payments for Goods and Services	(5,460,145)	(4,731,356)
Cash Payments to Employees	(5,128,365)	(4,751,602)
Interest Paid	<u>(3,946)</u>	<u>(10,885)</u>
Net Cash Provided by Operating Activities	<u>4,744,176</u>	<u>1,197,670</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(126,327)	(84,916)
Construction of Cafeteria Renovations	(2,587,989)	(857,691)
Construction of Playground	(84,058)	(208,528)
Construction of Outdoor Classroom	(29,500)	(77,975)
Construction of Agriculture, Art, and Maintenance Building	(884,742)	(67,661)
Improvements to the Football Field	(28,800)	(1,120,062)
Construction of New Road	<u>(314,740)</u>	<u>0</u>
Net Cash Used by Investing Activities	<u>(4,056,156)</u>	<u>(2,416,833)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Finance Lease Liability	(22,785)	(25,921)
Principal Payments on Long-Term Debt	<u>(63,265)</u>	<u>(178,335)</u>
Net Cash Used by Financing Activities	<u>(86,050)</u>	<u>(204,256)</u>
NET INCREASE (DECREASE) IN CASH	601,970	(1,423,419)
CASH AT BEGINNING OF YEAR	<u>3,474,880</u>	<u>4,898,299</u>
CASH AT END OF YEAR	<u>\$ 4,076,850</u>	<u>\$ 3,474,880</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 3,706,248	\$ 2,557,287
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	272,455	200,746
(Increase) Decrease in Grant Receivables	601,245	(1,673,018)
(Increase) Decrease in Prepaid Expenses	(1,163)	(701)
Increase (Decrease) in Accounts Payable	218,093	122,048
Increase (Decrease) in Accrued Liabilities	(135,367)	3,088
Increase (Decrease) in Due to Others	29,879	0
Increase (Decrease) in Retainage Payable	13,426	30,063
Increase (Decrease) in Accrued Interest Payable	(4)	(51)
Increase (Decrease) in Salaries Payable	19,692	(407)
Increase (Decrease) in Compensated Absences	<u>19,672</u>	<u>(41,385)</u>
Total Adjustments	<u>1,037,928</u>	<u>(1,359,617)</u>
Net Cash Provided by Operating Activities	<u>\$ 4,744,176</u>	<u>\$ 1,197,670</u>
CASH PER STATEMENT OF FINANCIAL POSITION:		
Current Cash	\$ 3,793,396	\$ 3,116,133
Restricted Cash	<u>283,454</u>	<u>358,747</u>
TOTAL CASH AT END OF YEAR	<u>\$ 4,076,850</u>	<u>\$ 3,474,880</u>

See accompanying notes to financial statements.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Beekman Alumni and Friends, Inc., was incorporated on May 29, 2012, under the provisions of Title 12, Chapter 1, 2, and 3, of the Louisiana Revised Statutes. On May 9, 2013, the State of Louisiana approved their application for the trade name Beekman Charter School (the "School"). The School is exclusively for educational purposes with respect to operating Beekman Charter School in Morehouse Parish, Louisiana. The School is supported primarily through the Minimum Foundation Program (MFP) funded by the State of Louisiana and the Morehouse Parish School Board. This support is based on the number of eligible students in attendance on the School's official pupil count day each year. The MFP revenue for the year ended June 30, 2023, accounts for 68% of the School's total support.

The Morehouse Parish School Board (MPSB) approved the granting of a charter to the School effective July 1, 2013, for a period of five years contingent upon an evaluation following the third year of operation based on site visits, annual performance reports, and any information MPSB deemed relevant and necessary as provided in Louisiana R.S. 17:3992 and 3998(A)(2), pursuant to MPSB policy and BESE Bulletin 126. Terms of the approval also provided the charter contract may be renewed at the discretion of MPSB at the expiration of the initial five year term, June 30, 2018, pursuant to applicable provisions of Title 17, Chapter 42, of the Louisiana Revised Statutes and MPSB and BESE policy. MPSB renewed and extended the charter for a period of ten years, through June 30, 2028. The School is a Type 3 Charter School, as defined in Louisiana R.S. 17:3973(3)(b).

The School files an information return for organizations exempt from Federal Income tax under the provisions of section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a public charity. If the School loses the exempt status, any income in future years could be taxed at normal corporate rates.

RECENTLY ADOPTED ACCOUNTING GUIDANCE

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The School adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2021 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available.

The School elected the available practical expedients to account for its existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

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

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the School are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Income is recognized when earned and expenses are recognized when incurred.

FINANCIAL STATEMENT PRESENTATION

The School follows the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, as updated by ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, 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 not subject to donor-imposed restrictions. Some unrestricted net assets may be designated by the board of directors of the School for specific purposes.

Net Assets With Donor Restrictions - Net assets subject to a donor-imposed restriction that is a donor stipulation for the use of a contributed asset that is more specific than the broad limits resulting from the School's nature, environment, and purpose.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the reported amounts of assets and liabilities and disclosure 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.

CASH

Cash, which is held in interest bearing and non-interest bearing demand deposit accounts, consisted of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution.

The School classifies all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

RECEIVABLES

Receivables are stated at the amount management expects to collect from outstanding balances. Management believes all receivables are collectible and therefore has not recognized a provision for doubtful accounts. The school received government grants to fund programs and operations. The grants are reimbursement based and grants receivable at the year end are stated at unpaid balances for expenditures incurred during the year.

DUE TO OTHERS

Due to others are funds due to the Morehouse Parish School Board (MPSB) for reimbursement of services provided according to a shared services agreement or for an overpayment from MPSB.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTION AND REVENUE RECOGNITION

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (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.

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the grant, generally corresponding to the incurring of grant related costs of the School, or when earned under the terms of the grants. An accrual is made when eligible expenses are incurred.

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State of Louisiana Public School Fund (the State) and the Morehouse Parish School Board (MPSB). The funding the School receives is determined on an annual basis based on the number of pupils enrolled as of October 1st of each year. The State funded per pupil allocation is based on the most recently approved minimum foundation program formula resolution. The MPSB's funded per pupil allocation from sales tax revenues, ad valorem taxes, and other sources is determined by the relationship of the number of pupils in the School versus total pupils in the MPSB's system.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The School uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

COMPARATIVE DATA

Certain amounts for 2022 have been reclassified/restated to conform to the 2023 presentation.

PROPERTY, PLANT, AND EQUIPMENT

Acquisitions of property, plant, and equipment in excess of \$5,000 are capitalized. Property, plant, and equipment are stated at cost. Assets donated are carried at the fair market value on the date of the donation, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful life of the asset or for leasehold improvements the shorter of the estimated useful life or of the lease term. Interest incurred during the construction period is reflected in the capitalized value of the asset constructed.

PREPAID EXPENSES

Payments made to insurance companies for insurance coverage beyond the current accounting period are recorded as prepaid items in the asset section of the balance sheet. Also, payments made as deposits for services that have not yet been provided in the current accounting period are recorded as prepaid items.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES

The School is a lessee for noncancelable leases of office equipment. At the inception of the lease, the School determines if the contract is a lease. The School recognizes a right-of-use (ROU) asset resulting from finance leases and operating leases. Lease liabilities are also recognized and are classified into current and noncurrent portions. The current portion is the total of lease payments, attributable to principal payments in the loan amortization schedule that are due in the next twelve months.

At the commencement date of the lease, the School measures the lease liability at the present value of the lease payments expected to be made during the lease term. The School discounts lease payments using the rate implicit in the lease, if that rate is readily available. If the rate cannot be readily determined, the School uses its incremental borrowing rate at the time of the lease. The right-to-use asset is initially measured as the initial amount of the lease liability adjusted for lease payments made to lessor before the commencement date and any initial direct costs. The right-of-use asset is amortized on a straight-line basis. The amortization period begins with the commencement date of the lease and ends at the earlier of either the end of the estimated useful life or at the end of the lease term.

Amortization and interest expenses are reported in the statement of activities for finance leases, but operating leases report lease expenses in the statement of activities.

Leases with a term of less than twelve months will not record a right-of-use asset and a lease liability. The payments will be expensed as incurred over the term of the lease.

INCOME TAXES

The School's Forms 990, Return of Organization Exempt from Income Tax, for the year ending in 2022, 2021, and 2020 were filed with the Internal Revenue Service. As of December 14, 2023, the School had not filed its tax return for the year ending in 2023. The School's tax filings are subject to examination by the IRS, generally for three years after they are filed.

COMPENSATED ABSENCES

All twelve month employees can earn a maximum of twelve days of vacation leave each year, at a rate of one day per month awarded in six month intervals. Vacation can be accumulated up to ten days per year limited to a maximum of twenty-two days. Accumulated or vested benefits relating to vacation leave are accrued at year end. At June 30, 2023 and 2022, the School had compensated absences of \$37,772 and \$46,753, respectively, related to vacation leave, which is reported as a liability in the Statement of Financial Position combined with sick leave, as noted below.

All twelve month employees earn twelve days of sick leave each year, of which two days can be used for personal leave. Nine month employees also earn ten days of sick leave each year with two available for personal leave. Sick leave can be accumulated. Upon retirement or death, unused accumulated sick leave or up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences are accrued as a liability when the employees' right to receive compensation is attributable to service already rendered, the compensation rights vest or accumulate, the compensation payment is probable, and the amount can be reasonably estimated. Based on this criteria, the School accrues earned sick leave for those employees who currently are eligible to receive termination payments, as well as other employees who have at least ten years of service. At June 30, 2023, the School accrued \$295,470 as compensated absences related to sick leave, which is reported as a liability in the Statement of Financial Position combined with vacation leave of \$37,772 for a total of \$333,242, of which the current portion was determined to be \$35,707.

NOTE 2 - CASH

At June 30, 2023 and 2022, the carrying amount of cash was \$4,076,850 and \$3,474,880, respectively, which approximates market value. The School's bank balances per the banks totaled \$4,280,506 and \$4,164,139, respectively. The School's bank balances at June 30, 2023 and 2022 were collateralized by Federal Depository Insurance of \$252,726 and \$252,726, respectively, with \$4,027,780 and \$3,911,413, respectively, uncollateralized. At June 30, 2023 and 2022, the uncollateralized deposits had \$4,027,780 and \$3,911,413, respectively, of pledged securities held by a custodial bank in the name of the fiscal agent bank.

NOTE 3 - GRANTS RECEIVABLES

At June 30, 2023 and 2022, grant receivables totaled \$1,341,459 and \$1,942,704, respectively, which was for the balance of funds due from the Morehouse Parish School Board for grants passed through to the School.

NOTE 4 - PROPERTY, PLANT, AND EQUIPMENT

Effective July 1, 2013, the School entered into an agreement with the Morehouse Parish School Board (MPSB), allowing the School to use the MPSB's facilities and contents located at 15190 A.M. Baker Road, Bastrop, Louisiana 71220 for the sole purpose of operating a charter school. The agreement expired June 30, 2018, but the MPSB granted an extension for an additional ten years through June 30, 2028. The School pays an annual lease amount of \$1,200 according to the agreement. 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. The agreement will be terminated if the School's charter is revoked or surrendered.

Any use of the property that would be considered donated is not recorded as an in-kind contribution from the MPSB. The value of the property 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.

Any assets acquired by the School are the property of the School for the duration of their charter agreement with the Morehouse Parish School Board. If the charter is revoked or surrendered or the school otherwise ceases to operate, all assets purchased with public funds shall automatically revert to full ownership by the Morehouse Parish School Board. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

The School completed construction of a cafeteria, playground, outdoor classroom, and football field improvements during the year ended June 30, 2023 and capitalized the costs in fixed assets. Costs incurred in years prior to the year ended June 30, 2023 were recorded as construction in progress.

BEEKMAN ALUMNI AND FRIENDS, INC.
- D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

There were some asset acquisitions by the School which have met or exceeded the School's \$5,000 capitalization policy, and leasehold improvements which were amortized over the term of the lease, as shown below:

<u>CLASS</u>	<u>DEPRECIATION LIFE RANGE</u>	<u>2023</u>	<u>2022</u>
Finance Lease Right-of-Use Assets	5 Yrs.	\$ 117,887	\$ 117,887
Leasehold Improvements	2 - 10 Yrs.	812,997	812,997
Buildings	10 - 40 Yrs.	5,255,532	1,809,852
Equipment	5 - 12 Yrs.	835,300	708,973
Land Improvements	20 - 40 Yrs.	<u>1,863,663</u>	<u>0</u>
Total		8,885,379	3,449,709
Less: Accumulated Amortization and Depreciation		(1,206,610)	(934,156)
Land		112,720	112,720
Construction In Progress		<u>952,403</u>	<u>2,331,917</u>
Net Fixed Assets		<u>\$ 8,743,892</u>	<u>\$ 4,960,190</u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2023 and 2022 are related to funds raised for student activity funds, scholarship funds, and payment of long-term debt. None of the net assets with donor restrictions at June 30, 2023 or 2022 are time-restricted by donors. Net assets with donor restrictions are available for the following purposes, as of June 30:

	<u>2023</u>	<u>2022</u>
Student Activities Funds	\$ 221,403	\$ 276,446
Scholarship Funds	62,051	82,301
Payment of Accounts Payable - Scholarships	<u>(7,500)</u>	<u>(1,289)</u>
Total	<u>\$ 275,954</u>	<u>\$ 357,458</u>

NOTE 6 - LONG TERM DEBT

Long term debt at June 30, 2023 is as follows:

	<u>2023</u>	<u>2022</u>
4.6% loan payable to Bancorp South Bank, approved for \$600,000 with the proceeds being drawn to pay construction costs and other amounts needed. The note is due in monthly installments of \$11,230 (including principal and interest) with the final payment due January 28, 2023.	\$ 0	\$ 59,075
2.3% note payable to Louisiana Public Facilities Authority, due in 60 monthly installments of \$4,198 (including principal and interest) to July, 2022, secured by revenues.	<u>0</u>	<u>4,190</u>
Total Long Term Debt	0	63,265
Less: Current Maturities	<u>0</u>	<u>(63,265)</u>
Long Term Debt, Net of Current Maturities	<u>\$ 0</u>	<u>\$ 0</u>

Interest expense on long-term debt for the year ending June 30, 2023 and 2022 was \$758 and \$6,750, respectively.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 - RETIREMENT PLANS

The School participates in two different retirement systems, the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana State Employees' Retirement System (LASERS). The TRSL and LASERS are cost-sharing, multiple-employer defined benefit plans. The risks of participating in a multiple-employer plan is different from single employer plans. Assets contributed to the multiple-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. If the School chooses to stop participating it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Substantially all full-time employees of the School participate in the Teachers' Retirement System of Louisiana ("TRSL"). The TRSL is a cost sharing, multiple-employer defined benefit plan. This plan provides retirement and disability benefits, permanent benefit increases, and death benefits to plan members and beneficiaries. The TRSL issues publicly available financial reports that include financial statements and required supplementary information for the TRSL. The report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123 or on the website www.trsl.org.

TRSL is a component unit of the State of Louisiana and presents its financial information based on Government Accounting Standards. According to the financial report for the year ending June 30, 2022 (the most recent available), the actuarial funded ratio for funding purposes was 73.7% compared to 71.8% for 2021. TRSL had 198 employers participating in the plan with the School's employer allocation percentage at .08917%.

The employee of the school who is a member of the Optional Retirement Plan (ORP) became a member of this plan prior to employment with the school and has remained a participant in the ORP. The ORP is a defined contribution plan administered by TRSL. The ORP was created by Louisiana Revised Statute 11:921 and implemented on July 1, 1990. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. The ORP provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the participating employees to approved providers.

Participants in TRSL vest immediately in employee contributions to the plans. 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. For the year ended June 30, 2023 and 2022, participants were required to contribute 8% of their annual covered payroll to the plan and the School was required to contribute 24.8% and 25.2%, respectively, of the annual covered payroll for each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee. For the year ended June 30, 2023 and 2022, the School contributions to this plan were \$1,165,297 and \$1,123,207, respectively, equal to the required contributions for the year.

During the year ended June 30, 2023 and 2022, the ORP participant contributed 8% of salary and the School was required to contribute 27.7% and 28%, respectively, of their annual covered payroll. The School contributions to this plan for the year ended June 30, 2023 and 2022 were \$19,278 and \$19,639, respectively, equal to the required contributions for the year.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 - RETIREMENT PLANS (CONTINUED)

The employee of the school who is a member of the cost sharing multiple-employer defined benefit pension plan administered by the Louisiana State Employees' Retirement System (LASERS) became a member of this plan prior to employment with the school and has remained a participant in the LASERS. The plan was established by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. This plan provides retirement and disability benefits, permanent benefit increases, and death benefits to plan members and beneficiaries. The retirement system issues a publicly available financial report. That report may be obtained by writing to Louisiana State Employees' Retirement System, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, by calling 1-800-256-3000, or at www.lasersonline.org.

LASERS is a component unit of the State of Louisiana and presents its financial information based on Government Accounting Standards. According to the financial report for the year ending June 30, 2023 (the most recent available), the actuarial funded ratio for funding purposes increased to 68.5% from 66.5% in 2022. LASERS had 353 employers participating in the plan and contributing \$913,548,946 in 2023. The plan fiduciary net position in 2023 was \$14,498,993,789 compared to the total pension liability of \$21,192,522,129. The School's employer allocation percentage is unknown since the report only included employers through June 30, 2022 and the School did not begin contributing until July, 2022. The employer's contribution was less than 5% of total plan contributions.

During the year ended June 30, 2023, the LASERS participant contributed 8% of salary and the School was required to contribute 40.4% of their annual covered payroll. The School contribution to this plan for the year ended June 30, 2023 was \$29,879, equal to the required contribution for the year.

The total contributions the School made to all retirement plans for the year ended June 30, 2023 and 2022 was \$1,214,454 and \$1,142,846, respectively.

NOTE 8 - RETAINAGE PAYABLE

During 2023, the School began construction on a new building for agriculture, art, and maintenance. As of June 30, 2023, all contract requests for payment associated with this project had been paid to date, but a 5% retainage amount of \$43,489 was outstanding. This project is expected be complete and the retainage paid within the next year.

NOTE 9 - LEASES

The School leases portable classrooms and other buildings to provide adequate space for school operations. The leases include a delivery and installment fee for the buildings, monthly lease payments, and a tear down and return freight charge at the end of the lease. The noncancellable portion of the agreements were for a period of twenty-four to thirty-six monthly lease payments, with month-to-month renewal options at the end of the lease terms. All of the lease terms expired prior to July 1, 2021. The School chose to exercise the options to lease the buildings on a month-to-month basis past their initial lease term until June, 2023. The School expensed the tear down and return freight costs on the portable buildings in 2023 of \$69,953. Rent expense on these portable buildings was \$73,966 and \$72,747 for the year ended June 30, 2023 and 2022, respectively.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 - LEASES (CONTINUED)

In May, 2021, the School entered into a lease agreement for nine copiers to be used at the school for a term of sixty months. The contract was determined to be a finance lease. The incremental borrowing rate of 3.595% was used as the lease discount rate. The adoption of ASC 842 resulted in the following balances at June 30:

	<u>2023</u>	<u>2022</u>
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 23,577	\$ 25,542
Interest on Lease Liabilities	<u>2,933</u>	<u>4,084</u>
Total Lease Cost	<u>\$ 26,510</u>	<u>\$ 29,626</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	\$ 2,933	\$ 4,084
Financing Cash Flows from Finance Leases	\$ 22,785	\$ 25,921
Weighted Average Remaining Lease Term - Finance Lease	2.83 years	3.83 years
Weighted Average Remaining Discount Rate - Finance Lease	3.595%	3.595%

The future minimum lease payments on the finance lease is as follows:

2024	\$ 25,718
2025	25,718
2026	<u>21,432</u>
Total Minimum Lease Payments	72,868
Less: Amount of Lease Payments Representing Interest	<u>(3,686)</u>
Present Value of Future Minimum Lease Payments	69,182
Less: Current Liabilities under Lease	<u>(23,619)</u>
Long-term Lease Liabilities	<u>\$ 45,563</u>

Reported as of June 30, 2023

Other Current Liabilities	\$ 23,619
Other Long-Term Liabilities	\$ 45,563

The School also has a contract with MPSB, that was determined not to be a lease, as described in Note 4 above.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the School's financial assets as of the balance sheet, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date as of June 30:

	2023	2022
Cash at Year End	\$ 4,076,850	\$ 3,474,880
Grants Receivable	<u>1,341,459</u>	<u>1,942,704</u>
Total	5,418,309	5,417,584
Less: Amounts Unavailable for General Expenditures within One Year, Due to:		
Donor-restricted to payment of long-term debt	0	0
Donor-restricted to payment of scholarships	(62,051)	(82,301)
Donor-restricted to specific school activities	<u>(221,403)</u>	<u>(276,446)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 5,134,855</u>	<u>\$ 5,058,837</u>

The School prepares an annual budget that is approved by the Board Members for the upcoming year. Budget versus actual comparisons are presented at each monthly board meeting and reviewed by the Board. Cash flow is monitored by management on a daily basis.

NOTE 11 - FUNCTIONAL EXPENSES

The cost of providing various services have been summarized on a functional basis between program services and supporting services. Certain costs have been allocated among program services and supporting services. Salaries and benefits are allocated based on the time and effort expended between program and supporting services. A schedule of functional expenses for the year ended June 30, 2023, with comparative totals for the year ended June 30, 2022, is shown below:

	Program Services	Supporting Services	2023	2022
	Charter School	Management and General	Total	Total
Salaries	\$ 4,405,608	\$ 742,449	\$ 5,148,057	\$ 4,751,196
Employee Benefits and Payroll Taxes	1,944,563	265,635	2,210,198	2,016,603
Student Transportation	821,508	0	821,508	738,916
Repairs and Maintenance	790,904	15,351	806,255	457,944
Materials and Supplies	652,807	30,294	683,101	785,758
Administrative Services	0	211,744	211,744	203,230
Professional Services	30,475	128,496	158,971	149,175
Utilities	184,896	0	184,896	190,536
Depreciation and Amortization	272,455	0	272,455	200,744
Insurance	71,341	90,889	162,230	151,398
Rent	179,312	0	179,312	95,474
Other Services	9,802	0	9,802	9,802
Travel	12,491	7,147	19,638	15,794
Scholarships	28,500	0	28,500	4,858
Interest Expense	0	3,942	3,942	10,835
Miscellaneous	<u>20,209</u>	<u>108,320</u>	<u>128,529</u>	<u>24,980</u>
Total Expenses	<u>\$ 9,424,871</u>	<u>\$ 1,604,267</u>	<u>\$11,029,138</u>	<u>\$ 9,807,243</u>

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 - COMMITMENTS

In 2022, the School committed to a contract with Timothy M. Brandon Architect, APC and Gentry Construction, Inc. for the agriculture, arts, and maintenance building project for \$85,540 and \$1,840,000, respectively. Change orders were approved to the Gentry Construction account totaling \$12,881 in early 2023, for a total commitment of \$1,852,881. The Timothy M. Brandon Architect contract also had a change approved for a total commitment of \$129,702. As of June 30, 2023, the remaining commitment on these contracts is as follows:

	Charges Incurred	Remaining Commitment
Gentry Construction, Inc.	\$ 869,784	\$ 983,097
Timothy M. Brandon Architect, APC	71,854	57,848
Totals	\$ 3,423,443	\$ 57,848

NOTE 13 - EVALUATION OF SUBSEQUENT EVENTS

The School has evaluated subsequent events through December 14, 2023, the date which the financial statements were available to be issued.

NOTE 14 - A CHANGE IN ACCOUNTING PRINCIPLE

The School adopted the new guidance FASB issued ASU 2016-02, *Leases* (Topic 842). This change in accounting principle establishes a right-of-use (ROU) model that requires the lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than twelve months. This change increases transparency and comparability among organizations.

The change in accounting principle was applied retrospectively to July 1, 2021 with an adjustment to the right-of-use asset and related lease liability in the amount of \$117,887. For the year ended June 30, 2022, an adjustment was made to record amortization of the right-of-use asset for \$25,542, interest expense of \$4,084, and to reduce lease expense by \$29,626. These changes resulted in an increase in undesignated net assets from \$8,315,216 to \$8,315,644.

OTHER REPORTS AND SCHEDULES

DON M. McGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Drive, Suite A
Ruston, Louisiana 71273-1344

INDEPENDENT AUDITOR'S 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

Board of Directors of the
Beekman Alumni and Friends, Inc.
dba Beekman Charter School
15190 A M Baker Road
Bastrop, Louisiana 71220

I 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 Beekman Charter School (a non-profit organization), which comprise the statements of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Beekman Charter School's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Beekman Charter School's internal control. Accordingly, I do not express an opinion on the effectiveness of the Beekman Charter 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.

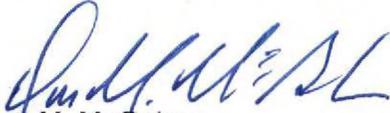
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beekman Charter School's financial statements are free of material misstatement, I 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 statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Beekman Charter 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.



Don M. McGehee
Certified Public Accountant
December 14, 2023

DON M. McGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Drive, Suite A
Ruston, Louisiana 71273-1344

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors of the
Beekman Alumni and Friends, Inc.
dba Beekman Charter School
15190 A M Baker Road
Bastrop, Louisiana 71220

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Beekman Charter School's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Beekman Charter School's major federal programs for the year ended June 30, 2023. Beekman Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Beekman 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, 2023.

Basis for Opinion on Each Major Federal Program

I conducted my 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 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Beekman Charter School and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Beekman Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Beekman Charter School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Beekman Charter School's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for threat resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Beekman Charter School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Beekman Charter School's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of Beekman Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Beekman Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I have identified during the audit.

Report on 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.

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of 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.



Don M. McGehee
Certified Public Accountant
December 14, 2023

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section 1 - Summary of Auditor Results

1. Financial Statements

The auditor's report expresses an unmodified opinion on whether the financial statements of Beekman Charter School were prepared in accordance with GAAP.

2. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

3. Federal Awards

Internal Controls Over Major Programs

Material Weaknesses Yes No Significant Deficiencies Yes No

The auditor's report issued on compliance for major federal award programs for Beekman Charter School expresses an unmodified opinion on all major federal programs.

Are their audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this schedule?

Yes No

4. Identification of Programs Tested as Major Programs

CFDA No. 84.425 - United States Department of Education, Education Stabilization Fund, under the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee qualified as a "low-risk" auditee? Yes No

Section 2 - Findings - Internal Control Over Financial Reporting and on Compliance and Other Matters Material to the Financial Statements

No current year findings.

Section 3 - Findings and Questioned Costs - Major Federal Award Programs

Department of Education - Education Stabilization Fund

No current year findings or questioned costs related to internal control and compliance material to federal awards.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Section 1 - Findings - Financial Statements Audit

No findings.

Section 2 - Findings and Questioned Costs - Major Federal Award Programs Audit

Department of Education - Education Stabilization Funds

No findings.

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023**

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2023, are discussed below with management's response for a corrective action plan.

Section 1 - Findings - Financial Statements Audit

No current year findings.

Section 2 - Findings and Questioned Costs - Major Federal Award Programs Audit

Department of Education - Education Stabilization Funds

No current year findings.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. Department of Education:				
<i>Pass-through Programs from</i>				
<i>Louisiana Department of Education--</i>				
<i>Morehouse Parish:</i>				
Title IIA Supporting Effective Instruction State Grants	84.367	None	\$ -	\$ 2,520
Career and Technical Education--Basic Grants to States	84.048	None	-	7,154
Education Stabilization Fund				
COVID-19--Elementary and Secondary School Emergency Relief Fund	84.425D	None	-	820,514
COVID-19--American Rescue Plan- Elementary and Secondary School Emergency Relief Fund	84.425U	None	-	<u>3,868,535</u>
Total Education Stabilization Fund			<u>-</u>	<u>4,689,049</u>
Total U.S. Department of Education			<u>-</u>	<u>4,698,723</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 0</u>	<u>\$ 4,698,723</u>

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Beekman Charter School under programs of the federal government for the year ended June 30, 2023. 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). Because the Schedule presents only a selected portion of the operations of Beekman Charter School, it is not intended and does not present the financial position, changes in net assets, or cash flows of Beekman Charter School.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

Beekman Charter School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
 SCHEDULE OF COMPENSATION, BENEFITS AND
 OTHER PAYMENTS TO THE BEEKMAN CHARTER SCHOOL
 CHIEF EXECUTIVE OFFICER
 FOR THE YEAR ENDED JUNE 30, 2023

Beekman Charter School Principal Emily Myrick (through March 13, 2023):

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 76,378
Benefits-Retirement	18,942
Benefits-Health Insurance	2,308
Travel	100

**Beekman Charter School Principal/Chief Executive Director
 Samantha Mann (beginning March 14, 2023):**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 34,592
Benefits-Retirement	8,579
Benefits-Health Insurance	2,548
Travel	322

**PERFORMANCE AND STATISTICAL DATA
SCHEDULES REQUIRED BY STATE LAW**

DON M. McGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Drive, Suite A
Ruston, Louisiana 71273-1344

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

Board of Directors of the
Beekman Charter School
Louisiana Department of Education, and
Louisiana Legislative Auditor

I have performed the procedures enumerated below, which were agreed to by the management of the Beekman Charter School, the Louisiana Department of Education, and the Louisiana Legislative Auditor on the performance and statistical data accompanying the annual financial statements of the Beekman Charter School for the fiscal year ended June 30, 2023; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin 126, in compliance with Louisiana Revised Statute 24:514 I. Management of the Beekman Charter School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

My procedures and associated findings are as follows:

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

1. I selected a random sample of 25 transactions and reviewed supporting documentation to observe that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on Schedule 1 on page 35:

- 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

No exceptions found.

Class Size Characteristics (Schedule 2)

2. I obtained a list of classes by school, school type, and class size as reported on the schedule. I then traced a sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

No exceptions found.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. I obtained October 1st 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. I then selected a sample of 25 individuals and traced to each individual's personnel file to observe that each individual's education level and experience was properly classified in the PEP data or equivalent listing prepared by management.

In the sample of 25 individuals selected, the education level was properly classified in the PEP data for all 25 individuals selected. The experience were properly classified in the PEP data for 21 individuals with 4 individuals' experience incorrectly classified in the PEP data.

Management's Response: The individuals' experience which were incorrectly classified in the PEP data were off by one year in all instances except one. These errors will be corrected in the next June PEP report.

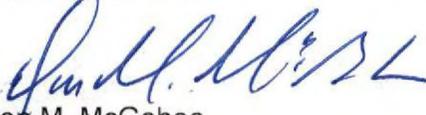
Public School Staff Data: Average Salaries (NO SCHEDULE)

4. I obtained June 30th 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. I then selected a sample of 25 individuals and traced to each individual's personnel file to 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).

No exceptions found.

This agreed-upon procedures engagement was performed 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. I was not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion, or conclusion, respectively, on the performance and statistical data. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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 Beekman Charter School, 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.



Don M. McGehee
Certified Public Accountant
December 14, 2023

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
Bastrop, Louisiana
Schedules Required by State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and For the Year Ended June 30, 2024**

**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.

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
Bastrop, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2024**

Schedule 1

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures:</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 3,325,558	
Other Instructional Staff Activities	211,109	
Instructional Staff Employee Benefits	1,673,338	
Instructional Materials and Supplies	211,514	
Instructional Equipment	<u>39,176</u>	
Total Teacher and Student Interaction Activities		\$ 5,460,695
Other Instructional Activities		177,993
Pupil Support Services	307,893	
Less: Equipment for Pupil Support Services	<u>0</u>	
Net Pupil Support Services		307,893
Instructional Staff Services	273,249	
Less: Equipment for Instructional Staff Services	<u>0</u>	
Net Instructional Staff Services		273,249
School Administration	596,977	
Less: Equipment for School Administration	<u>0</u>	
Net School Administration		<u>596,977</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 6,816,807</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$ 62,407</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		0
Renewable Ad Valorem Tax		0
Debt Service Ad Valorem Tax		0
Up to 1% of Collections by Sheriff on Taxes Other than School Taxes		0
Sales and Use Taxes		<u>0</u>
Total Local Taxation Revenue		<u>\$ 0</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		0
Earnings from Other Real Property		<u>0</u>
Total Local Earnings on Investment in Real Property		<u>\$ 0</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing-Constitutional Tax		0
Revenue Sharing-Other Taxes		0
Revenue Sharing-Excess Portion		0
Other Revenue in Lieu of Taxes		<u>0</u>
Total State Revenue in Lieu of Taxes		<u>\$ 0</u>
Nonpublic Textbook Revenue		<u>\$ 0</u>
Nonpublic Transportation Revenue		<u>\$ 0</u>

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
Bastrop, Louisiana
Class Size Characteristics
As of October 1, 2022

Schedule 2

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								
High Activity Classes								
Combination	65.3%	247	31.7%	120	.3%	1	2.7%	10
Combination Activity Classes	71.4%	55	18.2%	14			10.4%	8

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL**

STATEWIDE AGREED-UPON PROCEDURES

JUNE 30, 2023

DON M. McGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Drive, Suite A
Ruston, Louisiana 71273-1344

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

Board of Directors of the Beekman Charter School
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Beekman Charter School's management is responsible for those C/C areas identified in the SAUPs.

Beekman Charter 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 C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its 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.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Management provided us with the written policy and procedures and all functions are addressed.

ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Management provided us with the written policy and procedures and all functions are addressed.

iii. **Disbursements**, including processing, reviewing, and approving.

Management provided us with the written policy and procedures and all functions are addressed.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Management provided us with the written policy and procedures and all functions are addressed.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Management provided us with the written policy and procedures and all functions are addressed.

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Management provided us with the written policy and procedures and all functions are addressed, except there are no standard terms and conditions for contracts.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Management provided us with the written policy and procedures and all functions are addressed.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Management provided us with the written policy and procedures and all functions are addressed.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Management provided us with the written policy and procedures and all functions are addressed.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Management provided us with the written policy and procedures. The debt issuance approval function was addressed. They do not have written policies and procedures for the other functions, but those functions are not applicable to the School.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Management provided us with the written policy and procedures, but the policy does not address all of the required subcategories.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Management provided us with the written policy and procedures, but charter schools are not required to follow R.S. 42:342-344.

2) Board (or Finance Committee, if applicable)

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
No exceptions were found as a result of this procedure.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
No exceptions were found as a result of this procedure.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
No exceptions were found as a result of this procedure.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
No exceptions were found as a result of this procedure.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
No exceptions were found as a result of this procedure.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
No exceptions were found as a result of this procedure.
 - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management provided us with the required list and representation that it is complete.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions were found as a result of this procedure.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

No exceptions were found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exceptions were found as a result of this procedure.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions were found as a result of this procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

Observed sequentially pre-numbered receipts for the selected deposits, except for four of the deposits selected.

Management's Response: The accountant will be more diligent in preparing prenumbered receipts for all amounts received.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were found as a result of this procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

- iv. Observe that the deposit was made within one business day of receipt at the collection location. (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Observed deposits were made within one business day of receipt, except one deposit that did not have a pre-numbered receipt or date received stamped on it to use for testing whether it was deposited within one business day of receipt.

Management's Response: The accountant and clerk for the general fund will be more diligent in using pre-numbered receipts to allow testing that receipts are deposited daily.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management provided us with the required list and representation that it is complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exceptions were found as a result of this procedure.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exceptions were found as a result of this procedure.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions were found as a result of this procedure.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions were found as a result of this procedure.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transactions population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Only one non-payroll-related electronic disbursement found and there was no indication that it had been authorized and approved. The exception found was for the purchase of checks of \$188.17 that was charged to the bank account.

Management's Response: The transaction was to reorder checks for the bank account. This type of transaction does not routinely require approval or authorization. The accountant and clerk will be more diligent in providing documentation that these type of transactions are properly approved and authorized.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Management provided us with the required list and representation that it is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder; and

No exceptions were found as a result of this procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as "missing receipt statement" that is subject to increased scrutiny.

One exception was found as a result of this procedure lacking an original itemized receipt and documentation of the business purpose.

Management's Response: There was a lack of communication to the business office from administration about who would be responsible for the hotel expenses related to this conference. This resulted in the supporting documentation being lost. The transaction was to the Hilton St. Louis for \$449.58, but there were other expenses related to this trip that were properly documented and approved. The accountant will be more diligent in making sure that original itemized receipts and documentation of the business purpose of the expenses are properly maintained.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions were found as a result of this procedure.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions were found as a result of this procedure.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of this procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions were found as a result of this procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

No exceptions were found as a result of this procedure.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions were found as a result of this procedure.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions were found as a result of this procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions were found as a result of this procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employee or officials;

No exceptions were found as a result of this procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions were found as a result of this procedure.

- iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions were found as a result of this procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions were found as a result of this procedure.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions were found as a result of this procedure.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions were found as a result of this procedure.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Not applicable.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedures and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedures and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedures and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Charter schools are not required to comply with this requirement.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website.)

Charter schools are not required to comply with this requirement.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

Charter schools are not required to comply with this requirement.

- ii. Number of sexual harassment complaints received by the agency;

Charter schools are not required to comply with this requirement.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

Charter schools are not required to comply with this requirement.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Charter schools are not required to comply with this requirement.

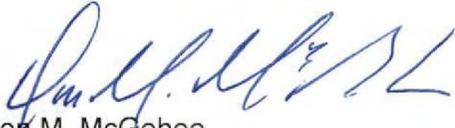
- v. Amount of time it took to resolve each complaint.

Charter schools are not required to comply with this requirement.

I was engaged by the Beekman Charter School to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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 those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Beekman Charter School and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.

A handwritten signature in blue ink, appearing to read "Don M. McGehee".

Don M. McGehee
Certified Public Accountant
December 14, 2023