

IDEA Public Schools NOLA, Inc.

FINANCIAL STATEMENTS

June 30, 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
IDEA Public Schools NOLA, Inc.
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of IDEA Public Schools NOLA, Inc. (a nonprofit organization) (the School), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments made to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Cary Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 30, 2020

IDEA Public Schools NOLA, Inc.
Statement of Financial Position

<i>June 30,</i>	<i>2020</i>
Assets	
Current assets	
Cash and cash equivalents	\$ 336,318
Restricted cash	1,223
Grants receivable	172,529
Due from subrecipient grantor	111,141
Total current assets	621,211
Property and equipment	
Equipment	139,263
Operating leases-improvements	526,849
Less: Accumulated depreciation	76,414
Property and equipment, net	589,698
Other assets	
Other assets	10,255
Total other assets	10,255
Total assets	\$ 1,221,164
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 34,347
Accrued expenses	32,781
Due to management company	606,194
Total current liabilities	673,322
Net assets	
Without donor restrictions	546,619
With donor restrictions	1,223
Total net assets	547,842
Total liabilities and net assets	\$ 1,221,164

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

IDEA Public Schools NOLA, Inc.
Statement of Activities

<i>For the year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2020 Total
Public support and other revenues			
Grants - federal sources	\$ -	\$ 614,393	\$ 614,393
Grants - state and local sources	-	1,995,887	1,995,887
Grants - private sources	-	1,603,750	1,603,750
Miscellaneous	-	4,450	4,450
Net assets released from restrictions	4,217,257	(4,217,257)	-
Total public support and other revenues	4,217,257	1,223	4,218,480
Expenses			
<i>Program services</i>			
Instructional	1,291,495	-	1,291,495
School administration	809,852	-	809,852
Total program services	2,101,347		2,101,347
<i>Supporting services</i>			
Pupil support services	195,755	-	195,755
Instructional staff services	87,565	-	87,565
Management and general	171,987	-	171,987
Business services	31,667	-	31,667
Ancillary services	1,326,209	-	1,326,209
Fundraising	4,013	-	4,013
Total supporting services	1,817,195		1,817,195
Total expenses	3,918,542	-	3,918,542
Changes in net assets	298,715	1,223	299,938
Net assets at beginning of year	247,904	-	247,904
Net assets at end of year	\$ 546,619	\$ 1,223	\$ 547,842

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

IDEA Public Schools NOLA, Inc.
Statement of Functional Expenses

<i>For the year ended June 30,</i>	Program Services			Supporting Services							Supporting services subtotal	2020 Total
	Instructional	School administration	Programs services subtotal	Pupil support Services	Instructional staff services	Management and general	Business services	Ancillary services	Fundraising			
Salaries and benefits	\$ 874,818	\$ 627,784	\$ 1,502,602	\$ 131,689	\$ 1,292	\$ 66,471	\$ 31,441	\$ 587,151	\$ -	\$ 818,044	\$ 2,320,646	
Legal services	-	-	-	-	-	33,344	-	-	-	33,344	33,344	
Audit services	-	-	-	-	-	28,000	-	-	-	28,000	28,000	
Other professional services	39,023	-	39,023	-	-	8,989	-	18,324	-	27,313	66,336	
Consulting services	-	-	-	1,500	-	-	-	-	-	1,500	1,500	
Contracted services	42,534	124,276	166,810	58,518	78,088	9,697	90	208,950	70	355,414	522,224	
Staff tuition fees	-	-	-	-	-	-	-	632	-	632	632	
Repairs and maintenance	7,100	1,975	9,075	-	-	-	-	78,684	-	78,684	87,760	
Utilities	23,697	-	23,697	-	-	-	-	97,964	-	97,964	121,661	
Insurance	-	-	-	-	-	12,834	-	56,639	-	69,473	69,473	
Rentals - one time	358	1,347	1,705	-	-	200	-	-	-	200	1,905	
Operating leases	10,381	465	10,846	-	-	-	-	57,608	-	57,608	68,454	
Food	-	-	-	-	-	-	-	140,090	-	140,090	140,090	
Non-food	-	-	-	-	-	-	-	15,865	-	15,865	15,865	
Supplies	145,670	37,439	183,109	3,566	3,366	9,183	33	39,723	1,862	57,732	240,841	
Testing and reading materials	3,798	-	3,798	-	4,820	-	-	-	-	4,820	8,618	
Textbooks	67,802	-	67,802	-	-	-	-	-	-	-	67,802	
Travel	97	15,914	16,011	343	-	1,071	103	21,622	2,080	25,219	41,230	
Miscellaneous	-	652	652	139	-	-	-	2,957	-	3,096	3,747	
Dues	2,000	-	2,000	-	-	-	-	-	-	-	2,000	
Depreciation	74,216	-	74,216	-	-	2,197	-	-	-	2,197	76,413	
Total	\$ 1,291,495	\$ 809,852	\$ 2,101,347	\$ 195,755	\$ 87,565	\$ 171,987	\$ 31,667	\$ 1,326,209	\$ 4,013	\$ 1,817,195	\$ 3,918,542	

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

IDEA Public Schools NOLA, Inc.
Statement of Cash Flows

<i>For the year ended June 30,</i>	<i>2020</i>
Operating Activities	
Changes in net assets	\$ 299,938
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation	76,413
Changes in operating assets and liabilities:	
Grants receivable	(172,529)
Due from subrecipient grantor	(84,141)
Other current assets	(8,540)
Accounts payable	12,621
Accrued expenses	31,947
Due to management company	540,431
Net cash provided by (used in) operating activities	696,140
Investing Activities	
Purchases of equipment	(666,111)
Net cash provided by (used in) investing activities	(666,111)
Net change in cash, cash equivalents, and restricted cash	30,029
Cash, cash equivalents, and restricted cash at beginning of year	307,512
Cash, cash equivalents, and restricted cash at end of year	\$ 337,541
RECONCILIATION TO STATEMENT OF FINANCIAL POSITION	
Cash and cash equivalents	\$ 336,318
Restricted cash	1,223
Cash, cash equivalents, and restricted cash at end of year	\$ 337,541

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

Note 1: DESCRIPTION OF THE ORGANIZATION

IDEA Public Schools NOLA, Inc. (the School) is a Louisiana nonprofit corporation formed in January 2017. The School operates and does business as Individuals Dedicated to Excellence and Achievement (IDEA) Public Schools NOLA. The School is an Orleans Parish School Board authorized, open enrollment Type 1 charter school. The Orleans Parish School Board pursuant to Chapter 2, Title 12 of the Louisiana Revised Statutes grants the Contract for Charter. The School provides educational services to students in grades Kindergarten (K) through 7; the School has plans to grow to serve grades K through 12 when fully scaled. The School commenced operations during the 2019-2020 school year.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the School have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

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

Depreciation and Amortization

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Computer software	3-7 years
Leasehold Improvements	The lesser of 10-15 years or the remaining life of the School's charter

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The School reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition.

In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects and the effects of obsolescence, demand, competition and other economic factors.

The School did not recognize an impairment loss during the year ended June 30, 2020.

Net Assets

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

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the School, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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

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

Revenue Recognition

The School's policy is to report restricted support as with donor restrictions regardless of whether or not the restrictions are satisfied within the same fiscal year. Donations are reported as released from restrictions in the statement of activities when the restriction expired (that is, a stipulated time restriction ends or purpose restriction is accomplished). As of June 30, 2020, net assets with donor restriction consisted of \$1,223 for student activities, which is purpose restricted.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and locally from Orleans Parish School Board. For the year ended June 30, 2020, the School received \$9,642 in MFP funding per eligible student in attendance at the official pupil count date of October 1, 2019. MFP revenue accounts for 47% of the School's total revenue for the year ended June 30, 2020.

The School recognizes MFP, donations, and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met.

A portion of the School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Federal grants accounted for 15% of the School's total revenue for the year ended June 30, 2020.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. The financial statements of the School report certain categories of expenses that are attributable to more than one program or supporting function. The majority of expenses are allocated based on actual time and effort. However, several expenses (e.g., utilities, supplies, repairs and maintenance, etc.) require allocation based on usage (e.g., building square footage, estimated consumption, etc.) by each function.

Income Taxes

The School is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The School believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to financial statements.

In-Kind Support

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. For the years ended June 30, 2020, the School did not receive in-kind goods or services that were significant in amount.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 30, 2020 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Adopted Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for transactions in which the School serves as a resource recipient for fiscal years beginning after December 15, 2018. Thus, on July 1, 2019, the School applied the provisions of this ASU on a modified retrospective basis. There was no impact to the School from the adoption of this standard.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): *Restricted Cash*. ASU 2016-18 provides guidance on the classification and presentation of changes in restricted cash on the statement of cash flows. The ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts general described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The ASU is effective for fiscal year-ending June 30, 2020, but early adoption is permitted. On July 1, 2019, the School applied the provisions of this ASU on a modified retrospective basis. There was no impact to the School from the adoption of this standard.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance and requires expanded disclosures about revenue recognition to enable financial statement users to understand the nature, timing, amount, and uncertainty of revenue and cash flows arising from contracts with customers. On June 3, 2020, FASB issued ASU 2020-05 effectively delaying required implementation of the new revenue recognition standard to annual period beginning after December 31, 2019. The School elected not to early adopt the provisions of ASU 2014-09 for the year ended June 30, 2020. The School is currently evaluating the impact of this ASU on its financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

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

Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As of June 30, 2020, the School had \$621,211 of financial assets available within one year of the statement of financial position date consisting of cash of \$337,541 and grants and other receivables of \$283,670. Financial assets of \$1,223 were subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The School has a goal to maintain financial assets, consisting of cash on hand, to meet 30 days of operating expenses. Management estimates 30 days of operating expenses to be \$325,000 and believes it has appropriate available financial resources as of June 30, 2020. As part of its liquidity management, the School maintains cash accounts at a local bank which pays interest on the balances maintained.

Note 4: CASH AND CASH EQUIVALENTS

The School maintains its cash balances at a financial institution located in New Orleans, Louisiana. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. As of June 30, 2020, the uninsured portion of the School's balances was \$86,778. Management has not experienced any losses in such accounts and does not believe the School is exposed to significant risk.

Note 5: GRANTS RECEIVABLE

Grants receivable are deemed to be fully collectible by management and were comprised of the following as of June 30, 2020:

	2020
Child Nutrition	\$ 49,060
Charter School Program	62,081
Title I	123,975
Title 4A	4,337
IDEA Part B	44,217
Total grants receivables	
	\$ 283,670

The School acts as a subrecipient for several of its grant awards. At June 30, 2020, the School had \$111,141 due from grantors under this sub recipient relationship, which is included in the amounts above.

Note 6: NET ASSETS

Net assets with donor restrictions at June 30, 2020 consisted of cash amounts restricted for student activities, in the amount of \$1,223. Net assets released from donor restrictions by incurring expenses, or effectively satisfying the purpose/time restrictions specified by donors as of June 30, 2020 was \$4,217,257.

Note 7: OPERATING LEASES

Student Transportation (Bus)

The School leased several school buses for student transportation purposes under a 72-month lease agreement commencing August 1, 2019. Lease payments under the lease are \$3,352 per month. The lease is scheduled to terminate on July 30, 2025.

Administrative Transportation (Van)

The School leased several vans for administrative transport purposes under a 44-month lease agreement commencing November 15, 2018. Lease payments under the lease are \$465 per month. The lease is scheduled to terminate on July 15, 2022.

Note 7: OPERATING LEASES (CONTINUED)

Office Equipment

The School leased several pieces of office equipment for administrative purposes under a 36-month lease agreement commencing September 1, 2019. Lease payments under the lease are \$2,203 per month. The lease is scheduled to terminate on August 31, 2022.

As of June 30, 2020, future lease payments on long-term noncancelable operating leases are as follows:

Years ending June 30:	
2021	\$ 72,237
2022	61,333
2023	40,224
2024	40,224
2025	23,464
Total	\$ 237,481

As of June 30, 2020, the rental expense for the School was \$70,359.

Note 8: MANAGEMENT COMPANY

The School has a contract for certain management and administrative services which is based on 15 percent of revenues. Also, the management company will pay for certain direct expenses for which the School will reimburse the management company. For the year ended June 30, 2020, \$116,618 were incurred for management and administrative services. For the year ended June 30, 2020, \$2,390,479 were incurred for reimbursable direct expenses consisting of contracted employees, occupancy/rent, insurance, supplies, travel, and other costs for the direct benefit of the School. At June 30, 2020, the School had \$606,194 payable to the management company for direct expenses.

Note 9: COVID-19 PANDEMIC

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

Idea Public Schools NOLA, Inc.
Schedule of Compensation, Benefits and Other Payments Made to Agency Head
For the Year Ended June 30, 2020

Agency Head Name: Kenneth Campbell, Executive Director

PURPOSE	AMOUNT
Contracted Salary	\$ 36,449
Contracted Benefits-health insurance	1,030
Contracted Benefits-retirement	1,344
Contracted Deferred compensation	-
Contracted Workers comp	194
Contracted Benefits-life insurance	-
Contracted Benefits-long term disability	-
Contracted Benefits-FICA and Medicare	2,204
Car allowance	1,100
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	74
Per diem	63
Reimbursements	-
Travel	383
Registration fees	120
Conference travel	790
Unvouchered expenses	-
Meetings and conventions	144
Other	783
Total	\$ 44,679

Note: Kenneth Campbell is contracted as the Executive Director for multiple organizations. These amounts above represent only the portion of payments made to Kenneth Campbell during the year which are attributable to IDEA Public Schools NOLA, Inc.



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

Board of Directors
IDEA Public Schools NOLA, Inc.
New Orleans, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of IDEA Public Schools NOLA, Inc. (a nonprofit organization) (the School), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 30, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Car, Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 30, 2020

Idea Public Schools NOLA, Inc.
Schedule of Findings and Responses

I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	_____ yes <u> X </u> no
• Significant deficiency(es) identified?	_____ yes <u> X </u> none noted
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

II – FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE

There were no findings noted related to the financial statements for the year ended June 30, 2020.

III – FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS OTHER THAN THOSE THAT ARE REQUIRED TO BE REPORTED UNDER GOVERNMENT AUDITING STANDARDS

2020-001 – Compliance Finding – System for Appropriate Student Admissions Decisions

Criteria:	The School’s management is responsible for designing, implementing, and maintaining proper system for appropriate admission decisions and the requirements are applied on a consistent basis (LA R.S. 17:3991(B)(3)) and that all students reside within the jurisdiction of the school (LA R.S. 17:3991(C)(1)(a)).
Condition:	During the year ended June 30, 2020, student files did not contain the appropriate information to support that a proper system was in place for admission decisions and that the student resided within the jurisdiction of the schools or provide the proper waiver. Twenty-five (25) of sixty (60) student files tested did not contain appropriate support for residency. Thirty-three (33) of sixty (60) student files tested did not contain appropriate support for student existence.
Effect:	The School could have to repay the local MFP funds if compliance was not supported.
Cause:	The School was in its first full year of operations during the year ended June 30, 2020. Procedures have not been

Idea Public Schools NOLA, Inc. Schedule of Findings and Responses

Auditor's Recommendation:	designed and implemented to ensure proper review of student admissions and residential jurisdiction. We recommend the School design and implement procedures necessary to ensure that system for proper admission decisions are applied on a consistent basis and that residential jurisdiction and existence of the student is determined prior to admission and proper documentation is retained.
Management's Response:	See corrective action plan on page 19.

IDEA Public Schools NOLA, Inc.
BESE AGREED-UPON PROCEDURES REPORT
June 30, 2020



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor:

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of IDEA Public Schools NOLA, Inc. (a nonprofit organization), (the School) the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2020; 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 in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for the performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we 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.

Our procedures and results are as follows:

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

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

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

Class Size Characteristics (Schedule 2)

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

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

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

3. We will obtain 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 obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

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

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We will obtain 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 obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

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

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. We were 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, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 IDEA Public Schools NOLA, Inc. as required by Louisiana Revised Statute 24:514 I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

Metairie, Louisiana
December 23, 2020

IDEA PUBLIC SCHOOLS NOLA, INC.
SCHEDULE 1

**General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources
For the Year Ended June 30, 2020**

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 587,570	
Other instructional staff activities	40,347	
Instructional Staff Employee benefits	116,471	
Purchased professional and technical services	107,167	
Instructional materials and supplies	103,651	
Less instructional equipment	-	
Total teacher and student interaction activities		955,206

Other instructional activities		9,307
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Pupil support activities	195,755	
Less equipment for pupil support activities	-	
Net pupil support activities		195,755

Instructional Staff Services	82,606	
Less equipment for instructional staff services	-	
Net instructional staff services		82,606

School Administration	788,775	
Less: Equipment for School Administration	-	
Net School Administration		788,775

Total general fund instructional expenditures		\$ 2,031,647
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See independent accountants' report on applying Agreed-Upon Procedures.

IDEA PUBLIC SCHOOLS NOLA, INC.
SCHEDULE 2

CLASS SIZE CHARACTERISTICS
As of October 1, 2019

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	39%	24	24%	15	29%	18	-	-
Elementary Activity Classes	0%	-	2%	1	6%	4	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

See independent accountants' report on applying Agreed-Upon Procedures.