

**LAUREATE ACADEMY CHARTER SCHOOL**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2020**



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**LAUREATE ACADEMY CHARTER SCHOOL  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Laureate Academy Charter School  
Harvey, Louisiana

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

We have audited the accompanying financial statements of Laureate Academy Charter School (the School), a Louisiana nonprofit corporation, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this 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 of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

**Other Matters**

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the School's financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments the agency head is presented for purposes of additional analysis and is not a required part of the basic 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.

The schedules required by Louisiana state law, included as schedules 1 and 2, are not a required part of the basic financial statements, but are supplementary information required by Louisiana state law. 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. We have applied certain limited procedures, which are described in the Independent Accountants' Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated October 7, 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 the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Glendora, California  
October 7, 2020

**LAUREATE ACADEMY CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 1,711,340
Accounts Receivable	7,000
Prepaid Expenses and Other Assets	50,007
Total Current Assets	<u>1,768,347</u>

**LONG-TERM ASSETS**

Property, Plant, and Equipment, Net	<u>60,988</u>
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Total Assets	<u><u>\$ 1,829,335</u></u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Liabilities	\$ 22,787
Notes Payable, Current Portion	145,717
Total Current Liabilities	<u>168,504</u>

**LONG-TERM LIABILITIES**

Notes Payable	228,983
Total Liabilities	<u>397,487</u>

**NET ASSETS**

Without Donor Restriction	<u>1,431,848</u>
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Total Liabilities and Net Assets	<u><u>\$ 1,829,335</u></u>
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*See accompanying Notes to Financial Statements.*

**LAUREATE ACADEMY CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

**NET ASSETS WITHOUT DONOR RESTRICTION**

**REVENUES**

State and Local Public School Funding	\$ 3,656,793
Federal Grants	84,131
Donations	4,084
Other Income	32,314
Total Revenues	<u>3,777,322</u>

**EXPENSES**

Program Services	2,638,287
Management and General	556,479
Total Expenses	<u>3,194,766</u>

**CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION** 582,556

Net Assets Without Donor Restriction, Beginning of Year 849,292

**NET ASSETS WITHOUT DONOR RESTRICTION, END OF YEAR** \$ 1,431,848

*See accompanying Notes to Financial Statements.*

**LAUREATE ACADEMY CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 582,556
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation	47,920
Change in Operating Assets:	
Accounts Receivable	13,871
Prepaid Expenses and Other Assets	(18,659)
Change in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	(53,593)
Net Cash Provided by Operating Activities	572,095

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from Notes Payable	374,700
Net Cash Provided by Financing Activities	374,700

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

946,795

Cash and Cash Equivalents, Beginning of Year

764,545

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 1,711,340

*See accompanying Notes to Financial Statements.*

**LAUREATE ACADEMY CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 1,559,697	\$ 250,686	\$ 1,810,383
Pension Expense	21,203	3,408	24,611
Other Employee Benefits	137,053	22,028	159,081
Payroll Taxes	121,695	19,560	141,255
Legal Expenses	-	4,921	4,921
Accounting Expenses	-	36,462	36,462
Instructional Materials	113,376	-	113,376
Other Fees for Services	306,161	48,767	354,928
Advertising and Promotion Expenses	-	4,905	4,905
Office Expenses	-	32,376	32,376
Information Technology Expenses	43,304	2,279	45,583
Occupancy Expenses	290,266	15,277	305,543
Depreciation Expense	45,524	2,396	47,920
Insurance Expense	-	33,545	33,545
Other Expenses	-	79,869	79,869
	<u>\$ 2,638,287</u>	<u>\$ 556,479</u>	<u>\$ 3,194,766</u>
Total Functional Expenses	<u>\$ 2,638,287</u>	<u>\$ 556,479</u>	<u>\$ 3,194,766</u>

See accompanying Notes to Financial Statements.



**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Laureate Academy Charter School (the School) was created as a nonprofit corporation under the laws of the state of Louisiana in 2014. The School applied to the Jefferson Parish School Board to operate a Type I charter school. The Jefferson Parish School Board approved the charter of the School for an initial period of five years commencing on July 1, 2015 and has renewed the charter through June 30, 2025. The School currently serves students in kindergarten through fifth grade. The School will add an additional grade each year until it serves students in kindergarten through eighth grade.

The School received approximately 99% of its total revenues from federal and state grantors.

**Basis of Accounting**

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

**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, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include occupancy, depreciation, and information technology expenses which are allocated based on an estimate of square foot usage of the facilities, as well as salaries and wages, benefits, and payroll taxes which are allocated on estimates of time and effort.

**Cash and Cash Equivalents**

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**Net Asset Classes**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The School reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the statements of activities as net assets released from restrictions.

**Accounts Receivable**

Management evaluates receivables to assess whether they are collectible, and records an allowance accordingly. Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2020. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

**Property, Plant, and Equipment**

Property, plant, and equipment costing more than \$5,000 and with a useful life of more than one year are stated at cost, if purchased or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**Revenue Recognition**

The School's primary sources of funding are through the State Public School Fund and federal grants, as well as private donations. These state and federal grants are considered conditional and recognized as revenue when earned. Revenue is earned when eligible expenditures, as defined in each contract, are made. Funds received but not yet earned are shown as Deferred Revenue. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the School will record such disallowance at the time the final assessment is made. As of June 30, 2020, the School has no conditional grants that are recognized as deferred revenue in the statement of financial position.

**Contributions**

All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as with donor restriction. Restricted contributions that are received and released in the same period are reported as revenue without donor restriction. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**Compensated Absences**

The School does not allow employees to carryover unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2020.

**Income Taxes**

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes.

**Change in Accounting Principle**

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, Revenues from Contracts with Customers (Topic 606). The update establishes the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. There was no material impact on the School's financial position and results of operations upon adoption of the new standard.

**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**Change in Accounting Principle (Continued)**

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The School has implemented ASU 2018-08 under the modified retrospective approach. There was no material impact on the School's financial position and results of operations upon adoption of the new standard.

**Evaluation of Subsequent Events**

The School has evaluated subsequent events through October 7, 2020, the date these financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of 1,718,340.

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

**NOTE 3 CONCENTRATION OF CREDIT RISK**

The School maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 4 EMPLOYEE RETIREMENT**

**Defined Contribution Plan**

The School offers an Internal Revenue Code Section 401(k) retirement plan to each of its qualifying employees. Employer matching contributions are made as a percentage of elective deferrals for each employee who is eligible for employer contributions. Additionally, the employer may elect to make a discretionary contribution for each qualifying employee for each plan year. The amount of employer contributions used to purchase annuity contracts for the year ended June 30, 2020 was \$24,611.

**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 5 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant and equipment in the accompanying financial statements is presented net of accumulated depreciation. Depreciation expense was \$47,920 for the year ended June 30, 2020.

The components of property, plant and equipment as of June 30, 2018 are as follows:

Leasehold Improvements	\$ 117,640
Equipment	88,621
Accumulated depreciation	(145,273)
Property, Plant, and Equipment, Net	<u>\$ 60,988</u>

**NOTE 6 NOTES PAYABLE**

On May 20, 2020 the School received a loan from Gulf Coast Bank and Trust Company in the amount of \$374,700 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the organization fails to apply for forgiveness within ten months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the School will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date in May, 2022

Future maturities under notes payable are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 145,717
2022	228,983
Total	<u>\$ 374,700</u>

**LAUREATE ACADEMY CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 7 OPERATING LEASES**

The School leases its facility under a lease agreement that expires on June 30, 2021, but can be renewed for two additional three year terms. The lease requires monthly payments of \$11,500. Lease expense under this agreement for the year ended June 30, 2020 was \$138,000. Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	<u>\$ 138,000</u>

**NOTE 8 CONTINGENCIES, RISKS AND UNCERTAINTIES**

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the School, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, loss of revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the School is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.



**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  
Laureate Academy Charter School  
Harvey, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Laureate Academy Charter School (the School), a Louisiana nonprofit corporation, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated October 7, 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 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 purposed 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Glendora, California  
October 7, 2020



**LAUREATE ACADEMY CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2020**

There were no findings for the year ended June 30, 2020.

**LAUREATE ACADEMY CHARTER SCHOOL  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2020**

There were no findings for the year ended June 30, 2019.

**LAUREATE ACADEMY CHARTER SCHOOL  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO THE AGENCY HEAD  
YEAR ENDED JUNE 30, 2020**

<b>Agency Head:</b>	<b>Claire Heckerman</b>	
Purpose		Amount
Salary		\$ 94,460
Benefits - Employer Portion of Retirement		8,835
Benefits - Employer Portion of Medical/Dental/Vision		6,540
Travel		-
Cell Phone Reimbursement		-
Reimbursements		-
Conferences		-
Benefits - Employee Portion of Disability		-
Other Compensation-Security		-
Community Relations		-
Professional Development		-
Total		<u>\$ 109,835</u>



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

Board of Directors of Laureate Academy Charter School, Louisiana Department of Education, and the Louisiana Legislative Auditor  
Harvey, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Laureate Academy Charter School (the School), the Louisiana Department of Education, and the Legislative Auditor of the state of Louisiana (specified users), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education in compliance with Louisiana Revised Statute 24:514.I. Management of the School is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The *sufficiency of these* procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

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

Results: No exceptions were noted.

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced all twelve classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

Results: No exceptions were noted.

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

3. We 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. We then selected a sample of eight individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management..

Results: The School reported years of experience at its school only, not including experience from other schools. Two of the employees selected had experience from other schools as well and therefore the years of experience reported was less than the total years of experience per the documentation in the personnel file. Additionally, one teacher selected completed a master's degree, but was reported as only having a bachelor's degree. No other exceptions were noted.

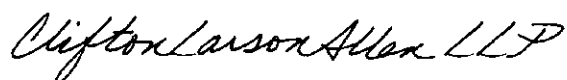
Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We 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. We then selected a sample of eight individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Results: No exceptions were noted.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. 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 the (City or Parish School Board or Charter School), as required by Louisiana Revised Statue 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.



**CliftonLarsonAllen LLP**

Glendora, California  
October 7, 2020

**LAUREATE ACADEMY CHARTER SCHOOL  
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES  
AND CERTAIN LOCAL REVENUE SOURCES  
SCHEDULE 1  
YEAR ENDED JUNE 30, 2020  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Column A	Column B
<b>General Fund Instructional and Equipment Expenditures</b>		
<b>General Fund Instructional Expenditures:</b>		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,295,352	
Other Instructional Staff Activities	139,115	
Instructional Staff Employee Benefits	259,031	
Purchased Professional and Technical Services	85,229	
Instructional Materials and Supplies	103,929	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 1,882,656
Other Instructional Activities		\$ -
Pupil Support Services	\$ 31,624	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services	-	\$ 31,624
Instructional Staff Services	\$ 44,338	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	\$ 44,338
School Administration	\$ 409,445	
Less: Equipment for School Administration	-	
Net School Administration	-	\$ 409,445
Total General Fund Instructional Expenditures (Total of Column B)		\$ 2,368,063
Total General Fund Equipment Expenditures (Object 730; Functional Series 1000- 4000)		\$ -
<b>Certain Local Revenue Sources</b>		
<b>Local Taxation Revenue:</b>		
Ad Valorem Taxes:		
Constitutional Ad Valorem Taxes		\$ -
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collectional by the Sheriff on Taxes Other than School Taxes		-
Result of Court Ordered Settlement (Ad Valorem)		-
Penalties/Interest on Ad Valorem Taxes		-
Taxes Collected Due to Tax Incremental Financing (TIF) (Ad Valorem)		-
Sales Taxes:		
Sales and Use Taxes - Gross		-
Sales/Use Taxes - Court Settlement		-
Penalties/Interest on Sales/Use Taxes		-
Sales/Use Taxes Collected Due to TIF		-
Total Local Taxation Revenue		\$ -
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		\$ -
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		\$ -
Nonpublic Textbook Revenue		\$ -
Nonpublic Transportation Revenue		\$ -

*See accompanying Independent Accountants' Report on Agreed-Upon Procedures.*

**LAUREATE ACADEMY CHARTER SCHOOL  
 CLASS SIZE CHARACTERISTICS  
 SCHEDULE 2  
 YEAR ENDED JUNE 30, 2020  
 (SEE INDEPENDENT AUDITORS' REPORT)**

**AS OF OCTOBER 1, 2019**

<u>School Type</u>	Class Size Range							
	1-20		21-26		27-33		34+	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Elementary					12	100%		
Elementary Activity Class								
Middle High								
Middle High Activity Class								
High								
High Activity Class								
Combination								
Combination Activity Class								

*See accompanying Independent Accountants' Report on Agreed-Upon Procedures.*

