

MORRIS JEFF COMMUNITY SCHOOL
NEW ORLEANS, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Morris Jeff Community School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Morris Jeff Community School as of June 30, 2025 and 2024, and the changes in its 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

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Morris Jeff Community School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Morris Jeff Community School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 our 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, the *Louisiana Governmental Audit Guide*, 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*, we:

- 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 Morris Jeff Community 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Morris Jeff Community School's ability to continue as a going concern for a reasonable period of time.



To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

We are 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 we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the schedule of compensation, benefits, and other payments to agency head (Schedule “1”), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying 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*, 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 supplementary 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 3, 2025 on our consideration of Morris Jeff Community 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 Morris Jeff Community 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 Morris Jeff Community School’s internal control over financial reporting and compliance.

December 3, 2025
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 8,869,812	\$ 8,773,227
Investments	2,669,940	-
Grant receivables	39,265	662,713
Prepaid expenses	<u>114,417</u>	<u>91,218</u>
Total current assets	<u>11,693,434</u>	<u>9,527,158</u>
<u>PROPERTY AND EQUIPMENT, NET</u>		
	<u>99,124</u>	<u>118,949</u>
<u>OTHER ASSETS:</u>		
Deposits	<u>82,611</u>	<u>82,611</u>
Total other assets	<u>82,611</u>	<u>82,611</u>
Total assets	<u>\$ 11,875,169</u>	<u>\$ 9,728,718</u>
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 867,526	\$ 687,283
Accrued expenses	<u>1,076,137</u>	<u>2,325,201</u>
Total current liabilities	<u>1,943,663</u>	<u>3,012,484</u>
Total liabilities	<u>1,943,663</u>	<u>3,012,484</u>
<u>NET ASSETS:</u>		
Without donor restrictions	<u>9,931,506</u>	<u>6,716,234</u>
Total net assets	<u>9,931,506</u>	<u>6,716,234</u>
Total liabilities and net assets	<u>\$ 11,875,169</u>	<u>\$ 9,728,718</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
<u>REVENUE:</u>			
Minimum Foundation Program Funding	\$ 19,673,307	\$ -	\$ 19,673,307
Federal grants	2,143,362	-	2,143,362
Other state/local funds	2,665,209	-	2,665,209
Grants and contributions	2,875,543	-	2,875,543
Other income	512,807	-	512,807
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenue	 <u>27,870,228</u>	 <u>-</u>	 <u>27,870,228</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	10,919,450	-	10,919,450
General non-instructional	6,040,030	-	6,040,030
Special education	5,092,437	-	5,092,437
Special programs	395,206	-	395,206
Administration	<u>2,207,833</u>	<u>-</u>	<u>2,207,833</u>
 Total expenses	 <u>24,654,956</u>	 <u>-</u>	 <u>24,654,956</u>
 Change in net assets	 3,215,272	 -	 3,215,272
 Net assets, beginning of year	 <u>6,716,234</u>	 <u>-</u>	 <u>6,716,234</u>
 Net assets, end of year	 <u>\$ 9,931,506</u>	 <u>\$ -</u>	 <u>\$ 9,931,506</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
<u>REVENUE:</u>			
Minimum Foundation Program Funding	\$ 19,089,229	\$ -	\$ 19,089,229
Federal grants	5,189,541	-	5,189,541
Other state/local funds	1,204,343	-	1,204,343
Grants and contributions	190,277	-	190,277
Other income	835,220	-	835,220
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>26,508,610</u>	<u>-</u>	<u>26,508,610</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	12,592,723	-	12,592,723
General non-instructional	6,005,129	-	6,005,129
Special education	4,056,142	-	4,056,142
Special programs	399,209	-	399,209
Administration	<u>1,981,840</u>	<u>-</u>	<u>1,981,840</u>
Total expenses	<u>25,035,043</u>	<u>-</u>	<u>25,035,043</u>
Change in net assets	1,473,567	-	1,473,567
Net assets, beginning of year	<u>5,242,667</u>	<u>-</u>	<u>5,242,667</u>
Net assets, end of year	<u>\$ 6,716,234</u>	<u>\$ -</u>	<u>\$ 6,716,234</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services					Total
	General Instructional	General Non-Instructional	Special Education	Special Program	General Administration	
Salaries	\$ 6,918,765	\$ 773,168	\$ 3,084,468	\$ 283,814	\$ 655,975	\$ 11,716,190
Employee benefits	808,817	50,694	175,774	43,975	46,326	1,125,586
Retirement	1,348,647	191,632	771,828	61,476	147,784	2,521,367
Payroll taxes	97,839	11,816	42,018	3,680	7,532	162,885
Purchased education services	425,662	34,012	524,248	-	35,220	1,019,142
Other purchased professional services	-	600,604	-	-	92,344	692,948
Purchased technical services	333,936	-	-	350	96,753	431,039
Utilities	-	-	-	-	434,518	434,518
Repairs and maintenance	1,833	1,548,994	-	-	10,852	1,561,679
Rentals	71,664	23,269	-	-	13,924	108,857
Student transportation	130,470	1,268,169	411,525	-	-	1,810,164
Insurance	-	415,332	-	-	-	415,332
Communications	4,831	-	-	-	89,081	93,912
Advertising, printing, and binding	-	-	-	-	9,238	9,238
Food service	-	831,384	-	-	-	831,384
Travel	72,135	12,822	206	-	868	86,031
Miscellaneous purchased services	47,328	5,411	58,641	-	50,404	161,784
Materials and supplies	589,337	170,932	23,729	1,911	84,287	870,196
Dues and fees	68,186	32,921	-	-	412,902	514,009
Miscellaneous	-	68,870	-	-	19,825	88,695
Total expenses	\$ 10,919,450	\$ 6,040,030	\$ 5,092,437	\$ 395,206	\$ 2,207,833	\$ 24,654,956

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services					Total
	General Instructional	General Non-Instructional	Special Education	Special Program	General Administration	
Salaries	\$ 8,007,906	\$ 578,089	\$ 2,315,507	\$ 283,542	\$ 569,570	\$ 11,754,614
Employee benefits	670,845	83,933	146,130	31,926	52,111	984,945
Retirement	1,813,372	161,920	673,167	79,545	100,778	2,828,782
Payroll taxes	127,415	8,422	38,600	3,901	6,488	184,826
Purchased education services	557,902	69,354	551,553	-	13,388	1,192,197
Other purchased professional services	25,568	391,117	-	-	68,474	485,159
Purchased technical services	278,443	4,903	-	-	34,561	317,907
Utilities	-	386,422	-	-	-	386,422
Repairs and maintenance	6,611	1,472,179	-	-	14,837	1,493,627
Rentals	66,221	32,897	-	-	583	99,701
Student transportation	65,943	1,109,133	305,409	-	-	1,480,485
Insurance	-	512,963	-	-	-	512,963
Communications	4,321	-	-	-	117,472	121,793
Advertising, printing, and binding	-	6,352	-	-	13,716	20,068
Food service	-	758,304	-	-	-	758,304
Travel	91,089	8,533	892	-	1,504	102,018
Miscellaneous purchased services	23,593	18,141	1,510	-	69,299	112,543
Materials and supplies	821,346	370,066	23,374	295	115,683	1,330,764
Dues and fees	32,148	1,566	-	-	632,940	666,654
Miscellaneous	-	30,835	-	-	170,436	201,271
Total expenses	\$ 12,592,723	\$ 6,005,129	\$ 4,056,142	\$ 399,209	\$ 1,981,840	\$ 25,035,043

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM (USED FOR)</u>		
<u>OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 3,215,272	\$ 1,473,567
Adjustments to reconcile change in net assets to cash and cash equivalents from (used for) operating activities:		
Depreciation expense	19,825	19,825
(Increase) decrease in:		
Grant receivables	623,448	1,879,574
Prepaid expenses	(23,199)	(41,144)
Deposits	-	(10,260)
Increase (decrease) in:		
Accounts payable	180,243	(219,816)
Accrued expenses	(1,249,064)	1,774,985
	<u>2,766,525</u>	<u>4,876,731</u>
Net cash from operating activities		
<u>CASH FLOWS FROM (USED FOR)</u>		
<u>INVESTING ACTIVITIES:</u>		
Purchases of investments	(2,669,940)	-
Capital expenditures	<u>-</u>	<u>(138,774)</u>
	<u>(2,669,940)</u>	<u>(138,774)</u>
Net cash (used for) investing activities		
Net increase in cash and cash equivalents	96,585	4,737,957
Cash and cash equivalents, beginning of year	<u>8,773,227</u>	<u>4,035,270</u>
Cash and cash equivalents, end of year	<u>\$ 8,869,812</u>	<u>\$ 8,773,227</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Morris Jeff Community School (the School) was created as a non-profit corporation under the laws of the State of Louisiana (the State) on February 13, 2009. The School serves eligible elementary through high school students. On June 8, 2010, the Louisiana Board of Elementary and Secondary Education (BESE) approved the charter of the School to operate a Type 5 charter school. The current charter was approved for a renewal term of an additional five years expiring on June 30, 2026 and converted the School to a Type 3B charter.

Basis of Accounting and Financial Reporting Framework

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Financial Accounting Standard Board (FASB).

Basis of Presentation

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the School is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. The School's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The School had no assets with donor restrictions as of June 30, 2025 and 2024, nor did the School has any net assets released from restrictions during the years ended June 30, 2025 and 2024.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the School considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for credit losses and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2025 and 2024, no allowance is recorded as management considers all receivables to be fully collectible.

Investments

The School's investments consist solely of shares in the Louisiana Asset Management Pool (LAMP), a local government 2a7-like investment pool administered by LAMP, Inc., a Louisiana nonprofit corporation. LAMP's investment portfolio is limited to securities permissible for Louisiana local governments under R.S. 33:2955. The School's investment in LAMP is measured at fair value, which is determined by the net asset value (NAV) per share. This NAV is equivalent to the value of the pool shares and is calculated on a daily basis using the fair value of the underlying assets.

The School's investment in LAMP has been classified as Level 2 within the fair value hierarchy established by FASB Accounting Standards Codification (ASC) Topic 820. Level 2 inputs are other than quoted prices in active markets for identical assets (Level 1 inputs) but include observable inputs, such as quoted prices for similar assets in active markets or other inputs that are observable directly or indirectly for substantially the full term of the asset. This classification is appropriate given the observable market data available for LAMP's underlying short-term, high-quality securities, despite the use of NAV as the primary valuation technique.

As of June 30, 2025 and 2024, the School's LAMP balance was \$2,669,940 and \$0, respectively, was fully redeemable with no notice or minimal notice, and had no unfunded commitments.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment and Depreciation

Property and equipment are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair value as of the date received. The School maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

Depreciation is computed using the straight-line method over the following useful lives:

Machinery and equipment	5 years
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Assets acquired with Louisiana Department of Education (LDOE) funds are owned by the School while used in the purpose for which it was purchased. The LDOE however, has a reversionary interest in these assets. Should a charter not be renewed, title in any assets purchased with these funds will revert to the appropriate agency.

Compensated Absences

All ten-month employees accrue 11 days of accrued leave each year and can rollover up to five days into the next fiscal year. If these rolled over days are not used before the end of the next fiscal year, then the employees can be paid out on a maximum of five accrued leave days from the prior fiscal year. All twelve-month employees accrue 14 days of accrued leave and can roll over up to seven days that must be used before the end of the next fiscal year. There is no payment upon separation of employment of unused accrued leave for either class of employees. As of June 30, 2025 and 2024, the School had no obligations of accumulated unpaid leave.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. The School reports contributions of cash or other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statement of activities. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when otherwise earned under the terms of the grants.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Functional Expenses

The cost of program and supporting services has been summarized on a functional basis in the statements of activities. This requires the allocation of certain costs based on total program costs and estimates made by management. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and employee benefits have been allocated based on time and effort. Rent and depreciation have been allocated based on square footage. All other allocated expenses have been allocated based on actual expenses incurred.

Income Tax Status

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to income tax unless it has unrelated trade or business income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2025 and 2024, the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2021 and later remain subject to examination by the taxing authorities.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The School applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The School determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

The School's lease contracts may include extension and termination options. The School applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date of the lease, the School reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The School is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use the incremental borrowing rate. The School generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the initial direct costs incurred by the lessor related to the leased assets is typically not available.

The School determines the incremental borrowing rate of each lease by estimating the credit rating of the School at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral. Short-term lease election is deemed to be 12 months or less.

Date of Management Review

Subsequent events have been evaluated through December 3, 2025, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At June 30, 2025 and 2024, the School has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures of \$11,579,017 and \$9,435,940, respectively. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

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

(3) INVESTMENTS

The fair value of Level 2 investments is as follows at June 30th:

	2025	2024
LAMP	\$ 2,669,940	\$ -
Total investments	\$ 2,669,940	\$ -

Investment income consists as follows for the years ended June 30th:

	2025	2024
Dividends and interest	\$ 4,153	\$ -

(4) GRANTS RECEIVABLES

Grants receivable at June 30, 2025 and 2024 consist of grant claims due from the State of Louisiana in the amount of \$39,265 and \$662,713, respectively. the following:

(5) PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment consists of the following at June 30, 2025 and 2024:

	2025	2024
Machinery and equipment	\$ 179,643	\$ 179,643
Less accumulated depreciation	(80,519)	(60,694)
Total	\$ 99,124	\$ 118,949

Depreciation expense for the year ended years ended June 30, 2025 and 2024 were \$19,825 and \$19,825, respectively.

(6) CONCENTRATIONS OF CREDIT RISK

The School maintains cash in bank accounts in excess of insured limits periodically. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At fiscal year end June 30, 2025 and 2024, there were uninsured deposits in the amount of \$8,423,372 and \$2,005,654, respectively.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) RETIREMENT PLAN

The School offers eligible employees the opportunity to participate in the Teachers' Retirement System of Louisiana (TRSL), a state retirement plan. The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123. Pertinent information relative to the plan follows:

Plan Description

All eligible full-time employees of the School are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State Statute. TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their last three years of compensation and the number of years that the employee was contributing to TRS.

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

Funding Policy

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. The rate is 21.51% of annual eligible contributions for the TRSL and is established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contributions for the years ended June 30, 2025 and 2024 were \$2,521,367 and \$2,828,782, respectively.

(8) EMPLOYEE RETENTION TAX CREDIT

During 2025, the School received financial assistance from the U.S. Federal government to guarantee the continuance of employee salaries under Employee Retention Credit (ERC) created under the CARES Act in the amount of \$2,665,786. The amount received was accounted for in 2025 as a gain and is presented with contributions and grants of financial assets on the statements of activities as of and for the year ended June 30, 2025.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(9) LEASE COMMITMENTS

Operating Leases with Orleans Parish School Board

As of July 1, 2021, the School entered into an agreement with the Orleans Parish School Board (OPSB) which allows the School to use the facilities and its contents located at 211 S. Lopez Street, New Orleans, Louisiana. The lease is designated for their elementary school and is scheduled to expire on June 30, 2026.

As of July 1, 2023, the School entered into an agreement with the OPSB which allows the School to use the facilities and its contents located at 3811 N. Galvez Street, New Orleans, Louisiana. This lease is designated for their high school and is scheduled to expire on June 30, 2027.

As of July 1, 2022, the School entered into an agreement with the OPSB which allows the School to use the facilities and its contents located at 3819 St. Claude Ave, New Orleans, Louisiana. The lease is designated for their middle school and is scheduled to expire on June 30, 2023. In June 2023, the School entered into an agreement with OPSB to use the same space effective July 1, 2023 through June 30, 2026.

All of the aforementioned leases call for payments based on the Use Fee and participation in OPSB's Per Pupil Unit Cost Program. The Use Fee is calculated annually and withheld from MFP funds by OPSB. The calculation is based on each charter schools per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Per Pupil Unit Cost Program, and includes any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship.

Use of the properties in the aforementioned leases is not recorded as an in-kind contribution from, or related rent expense to, the OPSB as the value of the use of the land and building 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.

Operating Leases with Other Third Parties

The School entered into five lease agreements for 13 copiers, with leases commencing in 2021 and 2022. Of these, one lease expired on September 1, 2024 and another lease expired on January 7, 2025. These leases were not renewed after June 30, 2025. The remaining three leases expired on July 25, 2025, which subsequently were operating as month to month, which consisted of 6 copiers in total. Monthly lease payments ranged from \$448 to \$838. Rent expense was \$21,794 and \$32,506 for the years ended June 30, 2025 and 2024, respectively.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(9) LEASE COMMITMENTS (CONTINUED)

Operating Leases with Other Third Parties (continued)

The School entered into three lease agreements for 135 Chromebooks starting on June 12, 2019 and expiring on May 12, 2024. Monthly lease payments are \$699. Lease expense was not incurred for the year ended June 30, 2025, and \$7,684 for the year ended June 30, 2024.

Future minimum lease payments under the operating leases are as follows:

2026	\$ <u>1,343</u>
Total	\$ <u><u>1,343</u></u>

(10) AGENCY TRANSACTION

During the year ended June 30, 2023, the School entered into an agreement with New Schools for New Orleans to serve as project coordinator and oversee the distribution of an Innovation Cluster of federal funds to expand TSL initiatives to benefit 12 single-site schools.

The School created and implemented a work plan and served as the point of contact for information and coordination. Specifically, the School was responsible for (1) ensuring that all school partners, technical partners, and external evaluator meet monthly; (2) holding partners accountable to deadlines and program implementation, (3) gathering and disseminating information to relevant parties, (4) liaising with the LDOE, as required, (4) verifying that partners are complying with financial requirements of the grant, and (5) ensuring that grant reporting is complete, accurate, and on time.

Funds were allocated to each school partner in block grants for an equal amount for the specific strategies they implemented. Each school partner decided how those funds were allocated given their specific approach. Each school partner was required to design their plan to implement each strategy and share the design, along with the associated budget, to the School. Each school partner also provided financial records to the School indicating that funds were allocated according to their customized plan.

During the year ended June 30, 2024, the School collected and disbursed \$581,476 in federal funds to the partner schools in the program. There are no amounts due to the partner schools as of June 30, 2024 and the School is not holding any monies owed to the partner schools as of June 30, 2024.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(11) GRANT PROGRAM CONTINGENCIES

The School participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2025 and 2024 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the school.

(12) ECONOMIC DEPENDENCY

The School receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP) funding for the years ended June 30, 2025 and 2024 totaled \$19,673,307 and \$19,089,229, respectively. Funding from various federal grants are passed through the State of Louisiana and totaled \$2,143,362 and \$5,189,541 for the years ended June 30, 2025 and 2024, respectively. Other State funds received totaled \$2,665,209 and \$1,204,343 for the years ended June 30, 2025 and 2024. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the School receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the School will receive in fiscal year 2026 relating to its grant awards.

In October 2024, NOLA-PS notified the School and all charter school operators it authorizes that local tax revenue estimates provided in March 2024 for the 2024-2025 school year had been overstated. Revised projections indicated a system-wide funding shortfall of up to approximately \$50 million compared to those earlier estimates. To mitigate the impact of this shortfall, during the year ended June 30, 2025 the Orleans Parish School Board approved a non-recurring \$35 million allocation to schools, outside of the annual MFP funding allocation. As a result of these actions, the School received additional funding from NOLA-PS during the year ended June 30, 2025, which is included in other state/local funding in the accompanying statement of activities.

(13) RECLASSIFICATIONS

Certain reclassifications have been made to prior year's financial statements to conform to the presentation of the current year financial statements. The reclassifications have no effect on net assets.

SUPPLEMENTARY INFORMATION

MORRIS JEFF COMMUNITY SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2025

	Patricia Perkins
Time served	07/01/24 through 06/30/25
Salary	\$ 193,016
Benefits - insurance	6,701
Benefits - retirement	41,518
Total compensation, benefits, and other payments	\$ 241,235

**OTHER REPORTING REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



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

To the Board of Directors of
Morris Jeff Community School
New Orleans, 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 Morris Jeff Community School (a non-profit corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2025.

Report on Internal Control over Financial Reporting

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

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

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



To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Morris Jeff Community 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 Morris Jeff Community School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 3, 2025
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

SINGLE AUDIT SECTION



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

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Morris Jeff Community 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 Morris Jeff Community School's major federal programs for the year ended June 30, 2025. Morris Jeff Community School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Morris Jeff Community 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Morris Jeff Community School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Morris Jeff Community School's compliance with the compliance requirements referred to above.



To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

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 Morris Jeff Community School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our 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 Morris Jeff Community School's compliance based on our 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 that 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 Morris Jeff Community 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, we:

- 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 Morris Jeff Community School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Morris Jeff Community 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 Morris Jeff Community School's internal control over compliance. Accordingly, no such opinion is expressed.



To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

We are 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 we 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.

Our 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 our audit we did not identify any deficiencies in internal control over compliance that we 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.

Our 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 3, 2025
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

MORRIS JEFF COMMUNITY SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	\$ 805,738
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027A	\$ 471,031
Special Education - Preschool Grants	84.173	<u>22,326</u>
Total Special Education Cluster		493,357
Supporting Effective Instruction State Grants	84.367A	35,000
English Language Acquisition State Grants	84.365A	35,630
Education Stabilization Fund		
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	<u>25,805</u>
 Total U.S. Department of Education		 <u>1,395,530</u>
<u>U.S. Department of Agriculture</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Child Nutrition Cluster		
School Breakfast Program	10.553	171,285
National School Lunch Program	10.555	<u>420,206</u>
Total Child Nutrition Cluster		591,492
Child and Adult Care Food Program	10.558	<u>104,928</u>
 Total U.S. Department of Agriculture		 <u>696,420</u>
 Total expenditures of federal awards		 <u>\$ 2,091,950</u>

(See Independent Auditors' Report)

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Morris Jeff Community School under programs of the federal government for the year ended June 30, 2025. The information in the 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 Morris Jeff Community School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Morris Jeff Community School.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Recognition

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 allowed or are limited as to reimbursement.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2025.

(3) INDIRECT COST RATE

Morris Jeff Community School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

MORRIS JEFF COMMUNITY SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Morris Jeff Community School.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance are reported in the 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*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for Morris Jeff Community School expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were the Special Education Cluster IDEA AL No. 84.027 and 84.173.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Morris Jeff Community School was determined to be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2025.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statement audit for the year ended June 30, 2025.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings related to major federal awards programs for the year ended June 30, 2025.

MORRIS JEFF COMMUNITY SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were no findings related to the internal control and compliance material to the financial statements for the year ended June 30, 2024.

II. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FEDERAL AWARDS

There were no findings or questioned costs related to the federal awards for the year ended June 30, 2024.

III. MANAGEMENT LETTER

There was no management letter for the year ended June 30, 2024.

**SCHEDULES REQUIRED BY STATE LAW
(PERFORMANCE STATISTICAL DATA)**



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

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Morris Jeff Community School for the fiscal year ended June 30, 2025; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of Morris Jeff Community School is responsible for its performance and statistical data.

Morris Jeff Community School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of 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:

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

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

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



To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Class Size Characteristics (Schedule 2)

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

Exceptions: Four classes did not agree to the roll books.

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 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Exceptions: Three employees' educational degrees did not agree with the PEP report and the personnel files and four employees' year of experience did not agree between the PEP report and the personnel files.

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

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



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

We were engaged by Morris Jeff Community School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Morris Jeff Community School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope and results of testing performed on the performance and statistical data accompanying the annual financial statements of the Morris Jeff Community School, as required by Louisiana Revised Statute 24:514.I, and for the information and use of Morris Jeff Community School, the Louisiana Department of Education, and the Louisiana Legislative Auditor. Accordingly, this report is not suitable for any other purpose and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

December 3, 2025
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

MORRIS JEFF COMMUNITY SCHOOL
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2025

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	Column A	Column B
General Fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 6,400,112	
Other instructional staff activities	1,409,789	
Instructional staff employee benefits	2,993,113	
Purchased professional and technical services	216,421	
Instructional materials and supplies	574,959	
Total teacher and students interaction activities		\$ 11,594,394
Other instructional activities		305,742
Pupil support services	1,227,390	
Less: equipment for pupil support services	-	
Net pupil support services		1,227,390
Instructional staff services	1,425,504	
Less: equipment for instructional staff services	-	
Net instructional staff services		1,425,504
School administration	1,837,264	
Less: equipment for school administration	-	
Net school administration		1,837,264
Total General Fund instructional expenditures (total of column B)		\$ 16,390,294
Total General Fund equipment expenditures		\$ -
<u>CERTAIN LOCAL REVENUE SOURCES</u>		
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		\$ -

MORRIS JEFF COMMUNITY SCHOOL
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2025
AS OF OCTOBER 1, 2024

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	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	27%	151	58%	324	11%	64	4%	24
Combination Activity Classes	10%	6	59%	37	2%	1	30%	19

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. These limits are not applicable to charter schools.



MORRIS JEFF COMMUNITY SCHOOL

established 2010

December 3, 2025

Louisiana Legislative Auditor

Morris Jeff Community School respectfully submits the following corrective action plan for items identified pursuant to the agreed-upon procedures in accordance with Statewide Agreed Upon Procedures.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Engagement Period: July 1, 2024 – June 30, 2025

The exceptions from the Agreed-Upon Procedures Report are discussed below:

Class Size Characteristics (Schedule 2)

Exceptions: Four classes did not agree to the roll books.

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

Exceptions: Three employees' educational degrees did not agree with the PEP report and the personnel files and four employees' year of experience did not agree between the PEP report and the personnel files.

Management's Response to Exceptions: Management has noted and agrees with the above exception. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified area.

LOWER CAMPUS

211 South Lopez Street
New Orleans, LA 70119
(504) 373-6258

UPPER CAMPUS

3811 North Galvez Street
New Orleans, LA 70117
(504) 355-0210



MORRIS JEFF COMMUNITY SCHOOL

established 2010



If there are any questions regarding this plan, please contact Jared Frank, Executive Director of Finance and Operations at (504) 373-6258.

Signature: *Jared K. Frank*

Title: Executive Director of Finance & Operations

LOWER CAMPUS

211 South Lopez Street
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(504) 373-6258

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MORRIS JEFF COMMUNITY SCHOOL
NEW ORLEANS, LOUISIANA
LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED
JUNE 30, 2025



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Morris Jeff Community School

We 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 year ended June 30, 2025. Morris Jeff Community School's management is responsible for those C/C areas identified in the SAUPs.

Morris Jeff Community 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 LLA's SAUPs for the year ended June 30, 2025. 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 attached in Schedule "1."

We were engaged by Morris Jeff Community School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Morris Jeff Community School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our 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.

December 3, 2025
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

MORRIS JEFF COMMUNITY SCHOOL
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025

ETHICS

1. Using 5 randomly selected employees/officials from the listing of employees/elected officials, obtain ethics documentation from management, and:
 - a) 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
 - b) 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.
2. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

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