

Success Preparatory Academy

FINANCIAL STATEMENTS

June 30, 2020 and 2019



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Success Preparatory Academy
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June 30, 2020 and 2019

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Carr, Riggs & Ingram, LLC
111 Veterans Memorial Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Success Preparatory Academy
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Success Preparatory Academy (Success Prep) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to Success Prep'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 Success Prep's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Success Prep as of June 30, 2020 and 2019, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of agency head compensation 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 is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, on our consideration of Success Prep's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Success Prep's internal control over financial reporting and compliance.

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

Metairie, Louisiana
December 15, 2020

Success Preparatory Academy
Statements of Financial Position

<i>June 30,</i>	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 1,400,440	\$ 1,104,321
Grants and other receivables	219,029	217,351
Prepaid expenses	92,110	76,587
Total current assets	1,711,579	1,398,259
Equipment, net	6,820	3,301
Noncurrent assets		
Deposits	7,122	7,122
Total noncurrent assets	7,122	7,122
Total assets	\$ 1,725,521	\$ 1,408,682
Liabilities and Net Assets		
Current liabilities		
Accrued expenses	\$ 53,574	\$ 43,188
Accounts payable	46,501	90,630
Total current liabilities	100,075	133,818
Net assets		
Without donor restrictions	1,562,447	1,211,264
With donor restrictions	62,999	63,600
Total net assets	1,625,446	1,274,864
Total liabilities and net assets	\$ 1,725,521	\$ 1,408,682

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

Success Preparatory Academy
Statement of Activities

<i>For the year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2020
Revenue and Other Support			
Grants			
Federal	\$ 1,195,229	\$ -	\$ 1,195,229
State	22,541	-	22,541
Other	119,010	-	119,010
State and local Minimum Foundation Program	4,891,154	-	4,891,154
Donations and contributions	10,644	-	10,644
Miscellaneous revenue	73,816	-	73,816
Net assets released from restrictions	601	(601)	-
Total revenue and other support	6,312,995	(601)	6,312,394
Expenses			
Program services	4,241,232	-	4,241,232
Supporting services:			
Management and general	1,720,580	-	1,720,580
Total expenses	5,961,812	-	5,961,812
Changes in net assets	351,183	(601)	350,582
Net assets at beginning of year	1,211,264	63,600	1,274,864
Net assets at end of year	\$ 1,562,447	\$ 62,999	\$ 1,625,446

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

Success Preparatory Academy
Statement of Activities

<i>For the year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2019
Revenue and Other Support			
Grants			
Federal	\$ 1,312,543	\$ 32,592	\$ 1,345,135
State	12,094	-	12,094
Other	53,036	39,500	92,536
State and local Minimum Foundation Program	4,552,035	-	4,552,035
Donations and contributions	52,751	-	52,751
Miscellaneous revenue	66,219	-	66,219
Net assets released from restrictions	40,729	(40,729)	-
Total revenue and other support	6,089,407	31,363	6,120,770
Expenses			
Program services	4,222,080	-	4,222,080
Supporting services:			
Management and general	1,704,591	-	1,704,591
Total expenses	5,926,671	-	5,926,671
Changes in net assets	162,736	31,363	194,099
Net assets at beginning of year	1,048,528	32,237	1,080,765
Net assets at end of year	\$ 1,211,264	\$ 63,600	\$ 1,274,864

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

Success Preparatory Academy
Statement of Functional Expenses

<i>For the year ended June 30,</i>	Program Services	Supporting Services Management and General	2020
Salaries and benefits	\$ 2,842,125	\$ 1,012,300	\$ 3,854,425
Professional services	407,930	110,269	518,199
Bus service	-	391,350	391,350
Purchased property services	292,596	9,292	301,888
Food service	282,043	-	282,043
Supplies	246,157	14,275	260,432
Dues and fees	1,085	117,018	118,103
Utilities	93,532	2,970	96,502
Textbooks	42,598	-	42,598
Insurance	26,198	10,515	36,713
Advertising	-	18,268	18,268
Telephone and postage	931	16,049	16,980
Printing	-	15,330	15,330
Travel	5,021	2,440	7,461
Depreciation	1,016	504	1,520
Total expenses	\$ 4,241,232	\$ 1,720,580	\$ 5,961,812

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

**Success Preparatory Academy
Statement of Functional Expenses**

<i>For the year ended June 30,</i>	Program Services	Supporting Services <u>Management and General</u>	2019
Salaries and benefits	\$ 2,709,468	\$ 914,671	\$ 3,624,139
Professional services	384,512	116,406	500,918
Bus service	-	476,250	476,250
Food service	355,636	-	355,636
Purchased property services	305,947	9,716	315,663
Supplies	214,533	17,568	232,101
Utilities	93,508	2,970	96,478
Textbooks	92,713	-	92,713
Dues and fees	222	85,910	86,132
Insurance	37,194	13,686	50,880
Travel	27,317	1,518	28,835
Printing	-	24,386	24,386
Miscellaneous	-	18,358	18,358
Telephone and postage	14	12,822	12,836
Advertising	-	10,330	10,330
Depreciation	1,016	-	1,016
Total expenses	\$ 4,222,080	\$ 1,704,591	\$ 5,926,671

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

Success Preparatory Academy
Statements of Cash Flows

<i>For the years ended June 30,</i>	2020	2019
Operating Activities		
Changes in net assets	\$ 350,582	\$ 194,099
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	1,520	1,016
Changes in operating assets and liabilities:		
Grants and other receivables	(1,678)	74,041
Prepaid expenses	(15,523)	(7,073)
Deposits	-	36,390
Accrued expenses	10,386	(64,224)
Accounts payable	(44,129)	958
Net cash provided by (used in) operating activities	301,158	235,207
Investing Activities		
Purchases of equipment	(5,039)	-
Net cash provided by (used in) investing activities	(5,039)	-
Net change in cash and cash equivalents	296,119	235,207
Cash and cash equivalents at beginning of year	1,104,321	869,114
Cash and cash equivalents at end of year	\$ 1,400,440	\$ 1,104,321

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

Success Preparatory Academy Notes to the Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Success Preparatory Academy (Success Prep) (a nonprofit organization) was incorporated in the fall of 2008 for the purpose of operating a transformation charter school in New Orleans, Louisiana. Success Prep was created to develop college bound students for leadership and lifelong learning. The State Board of Elementary and Secondary Education (BESE) granted Success Prep a Type 5 charter to operate Success Preparatory Academy in December 2008. In June 2014, a new charter was issued by the Department of Education, extending through June 2019.

As of June 30, 2019, the Orleans Parish School Board (OPSB) granted Success Prep a Type 3B charter to operate Success Preparatory Academy for five years, through June 30, 2024.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimate that is particularly susceptible to significant change in the near term is related to allocation of expenses by function.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less.

Grants and Other Receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. At June 30, 2020 and 2019, management did not deem any receivables to be uncollectible; therefore no allowance was recorded.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment

All acquisitions of equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. The useful life of equipment ranges from three to seven years.

Impairment of Long-Lived Assets

Success Prep reviews long-lived assets, consisting of equipment, for impairment and determines whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. Success Prep determines recoverability of assets by comparing the carrying value of the asset to the net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during 2020 or 2019.

Net Assets

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

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

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. See Note 6 for net assets with donor restrictions details.

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

Success Preparatory Academy Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition

Success Prep's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and the OPSB. For the year ended June 30, 2020, the School received \$5,070 from the State and \$6,021 from the OPSB per eligible student in attendance at the official pupil count date of October 1, 2019.

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

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

Functional allocations of expenses

Any costs related to program administration are functionally classified as supporting service expenses. Any costs related to activities that constitute direct conduct or direct supervision of program service are program expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function of Success Prep.

The costs of providing the program and other activities have been summarized on a functional basis in the statements of functional expenses. The majority of expenses are allocated based on actual time and effort. However, insurance, repairs and maintenance, disposal services, IT services, utilities, and depreciation require allocation based on the square footage of the building.

Advertising

Success Prep uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2020 and 2019, advertising costs totaled \$18,268 and \$10,330, respectively.

Significant Concentrations

For the years ended June 30, 2020 and 2019, Success Prep received approximately 19% and 22%, respectively, of its total revenue from federal sources and approximately 77% and 74%, respectively, of its total revenue from state and local public school funds and other state and local sources.

Success Preparatory Academy Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, Success Prep is exempt from taxes on income other than unrelated business income. Success Prep had no unrelated business income for the years ended June 30, 2020 and 2019.

Success Prep utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2020 and 2019, Success Prep has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2020 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Adopted Accounting Pronouncements

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

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

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

Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Success Prep has \$1,556,470 of financial assets available within one year of the statement of financial position date consisting of cash of \$1,400,440 and grants and other receivables of \$219,029. Financial assets of \$62,999, board designated, are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. Success Prep has a goal to maintain financial assets, consisting of cash on hand, to meet 30 days of operating expenses. Management estimates 30 days of operating expenses to be \$497,000 and believes it has appropriate available financial resources as of June 30, 2020. As part of its liquidity management, Success Prep maintains cash accounts at a local bank which pays interest on the balances maintained.

Success Preparatory Academy Notes to the Financial Statements

Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (Continued)

As of June 30, 2019, Success Prep had \$1,321,672 of financial assets available within one year of the statement of financial position date consisting of cash of \$1,104,321 and grants and other receivables of \$217,351. Financial assets of \$63,600, board designated, were subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. Success Prep has a goal to maintain financial assets, consisting of cash on hand, to meet 30 days of operating expenses. Management estimates 30 days of operating expenses to be \$493,000 and believes it has appropriate available financial resources as of June 30, 2019. As part of its liquidity management, Success Prep maintains cash accounts at a local bank which pays interest on the balances maintained.

Note 4: GRANTS AND OTHER RECEIVABLES

Grants and other receivables are deemed to be fully collectible by management and were comprised of the following as of June 30, 2020 and 2019:

	2020	2019
High Cost Services	\$ 67,865	\$ 17,867
National School Lunch Program	-	31,246
8G	3,860	-
IDEA B	-	16,757
IDEA Pre-School	574	343
NOLA Teacher Incentive Fund	43,970	30,216
Title I - School Improvement Grant	-	81,137
Title II	-	10,856
Title III	-	8,581
Title IV	6,253	6,319
DSS	-	6,508
Redesign	20,008	6,853
Grants receivable	217,889	216,683
Other receivables	1,140	668
Total Grants and Other Receivables	\$ 219,029	\$ 217,351

**Success Preparatory Academy
Notes to the Financial Statements**

Note 5: EQUIPMENT

Equipment is as follows as of June 30, 2020 and 2019:

	2020	2019
Equipment	\$ 10,117	\$ 5,079
Less: accumulated depreciation	(3,297)	(1,778)
Equipment, net	\$ 6,820	\$ 3,301

For the years ended June 30, 2020 and 2019, Success Prep had \$1,520 and \$1,016, respectively, in depreciation expense.

Note 6: NET ASSETS

Donations that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire (that is, a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted donations are reported as increases in net assets with donor restriction, depending on the nature of the restriction.

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

Net assets with donor restrictions at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Purpose restricted:		
Ben Blanchard Grant	\$ 30,407	\$ 31,008
Child Nutrition Program	32,592	32,592
Total	\$ 62,999	\$ 63,600

Note 7: CONCENTRATION OF CREDIT RISK

Success Prep maintains its cash balances at a national financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2020 and 2019. At June 30, 2020 and 2019, Success Prep's cash deposits exceeded the Federal Deposit Insurance Corporation limits by \$1,308,502 and \$854,321 respectively, and management does not believe it is exposed to risk.

Success Preparatory Academy Notes to the Financial Statements

Note 8: LEASE AND USE AGREEMENTS

Use Agreement with OPSB

In August 2018, Success Prep moved to the Thurgood Marshall school building on Canal St. as part of the Recovery School District/Orleans Parish School Board Master Plan.

Effective July 1, 2018, Success Prep signed an operating agreement with the Orleans Parish School Board (OPSB), which allows Success Prep to use the facilities and contents located at 4621 Canal St., New Orleans, Louisiana 70119 or any other locations that may be approved by Success Prep and the OPSB. The agreement may be renewed for a period of one year at the option of the OPSB. For the use of the facilities, the School reimburses property insurance costs to the OPSB.

Success Prep is responsible for all necessary maintenance to ensure that the facility complies with all state and local health and safety standards and other applicable laws, regulations, and rules. Success Prep's maintenance obligation has a cap of \$10,000. If capital improvements are made by Success Prep with non-public funds to any site which it operates, and the charter contract is revoked or terminated, Success Prep will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to the OPSB at the time the agreement is terminated. Success Prep must maintain records of any assets acquired with private funds that will remain the property of the school.

In consideration of the use of the property, a use fee is calculated as a per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management, and flood insurance of all OPSB-controlled school facilities, including any insurance brokerage fee, unrelated to recovery of the capital costs or depreciation that would be recovered in a traditional lease relationship. The use fee is calculated and invoiced annually and paid by Success Prep in equal installments over a 12-month fiscal year, through deduction from Success Prep's monthly MFP allocation, commencing on July 1, 2018. The use fee may be adjusted annually based on the increase or decrease in the actual cost of property, boiler and machinery, terrorism, disaster management, and flood insurance, or the number of students enrolled, thus future rental amounts are not readily determinable. For the years ended June 30, 2020 and 2019, usage fees paid to OPSB was \$54,975 and \$50,327, respectively, and is included in purchased property services on the statements of functional expenses.

As of June 30, 2019, the lease between Success Prep and OPSB was extended for the period July 1, 2019 through June 30, 2021 with an option to renew for an additional year.

Operating Leases

Success Prep has entered into operating leases for the rental of copiers and printers. The leases are for forty-eight (48) months. Rental payments under these leases were \$21,306 and \$20,680 for the years ended June 30, 2020 and 2019, respectively. Rental payments included as a part of purchased property services on the statements of functional expenses.

**Success Preparatory Academy
Notes to the Financial Statements**

Note 8: LEASE AND USE AGREEMENTS (Continued)

Operating Leases (Continued)

Future minimum commitments under the operating lease agreements for the rental of copiers and printers are as follows:

<i>Year Ending June 30,</i>	Amount
2021	\$ 15,434
2022	12,473
2023	9,113
2024	474
	<hr/> <hr/> \$ 37,494

Note 9: RETIREMENT PLANS

Substantially all employees of Success Prep are members of an employer sponsored Safe Harbor 401(k) plan (the Plan). Covered employees may elect to contribute a portion of their salaries to the Plan. Success Prep's matching contribution to the plan equals 100% of the salary deferral contributions that the employee makes up to the first 4% of the participant's compensation. Participants are immediately vested in both employee and employer contributions. Success Prep made contributions to the Plan of \$123,189 and \$72,212 for the years ended June 30, 2020 and 2019, respectively.

Note 10: COMPENSATED ABSENCES

Academic Year Employees

All academic year employees (teachers, interventionists, therapists, teaching assistants, and paraprofessionals) are granted four (4) sick days and three (3) personal days at the beginning of each year. These days are to be used in case of illness or any other reason an employee needs a day off. If an employee starts in the second half of the school year (January through June), personal leave/sick days are pro-rated to half the normal amount. Unused sick days will not roll forward at the end of the year (June 30th) and may not be redeemed for additional compensation at the end of the year or upon termination of employment. Personal days may be carried forward into future years but may not be redeemed for additional compensation or upon termination of employment.

Note 10: COMPENSATED ABSENCES (Continued)

Year-Round Staff

Year-round staff (operations staff and the school leadership team) work throughout the year and observe all school holidays, in addition to Memorial Day and Fourth of July during the summer. Like academic year employees, all year-round Success Prep employees are granted four (4) sick days and three (3) personal days at the beginning of each year, subject to the same terms as those for academic year employees.

Note 11: CONTINGENCIES

State Funding – The continuation of Success Prep is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with the Board of Elementary and Secondary Education. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

At June 30, 2020 and 2019, Success Prep was not a defendant or co-defendant in any lawsuits arising from the normal course of operations.

Note 12: COVID-19 PANDEMIC

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

**Success Preparatory Academy
Schedule of Agency Head Compensation
For the Year Ended June 30, 2020**

Agency Head Name: Adam Meinig, Executive Director

Purpose	Amount
Salary	\$ 125,100
Benefits-Fica & Medicare	9,479
Benefits-retirement	5,004
Benefits-health insurance	4,741
Travel	-
Cell phone	764
Benefits-life insurance	17
Registration fees	-
Vehicle rental	-
Deferred compensation	-
Workers comp	-
Benefits-long term disability	-
Car allowance	-
Vehicle provided by government	-
Dues	-
Per diem	-
Reimbursements	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
Total	\$ 145,105

See independent auditors' report.

**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
Success Preparatory Academy
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 Success Preparatory Academy (Success Prep) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Success Prep's internal control over financial reporting (internal control) to 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 Success Prep's internal control. Accordingly, we do not express an opinion on the effectiveness of the Success Prep'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 Success Prep's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Success Prep'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 Success Prep's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Success Prep's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cary Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 15, 2020

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

Board of Directors
Success Preparatory Academy
New Orleans, Louisiana

Report on Compliance for the Major Federal Program

We have audited Success Preparatory Academy's (Success Prep) (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Success Prep's major federal program for the year ended June 30, 2020. Success Prep's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Success Prep's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Success Prep's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Success Prep's compliance.

Opinion on The Major Federal Program

In our opinion, Success Prep complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Success Prep is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Success Prep's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Success Prep's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Success Prep's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Success Prep's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Metairie, Louisiana
December 15, 2020

Success Preparatory Academy Schedule of Expenditures of Federal Awards

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>	<i>Total Federal Expenditures (\$)</i>
<u>United States Dept. of Education/Louisiana Department of Education</u>				
Title I Grants to Local Educational Agencies	84.010	-	\$ 346,519	\$ 346,519
Title I Grants to Local Educational Agencies/Direct Student Services	84.010	-	16,774	16,774
Title I Grants to Local Educational Agencies/School Redesign Grant	84.010	-	66,427	66,427
<i>Total Title I Grants to Local Educational Agencies</i>			429,720	429,720
English Language Acquisition State Grants	84.365	-	10,602	10,602
English Language Acquisition State Grants (Immigrant)	84.365	-	3,457	3,457
<i>Total English Language Acquisition State Grants</i>			14,059	14,059
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	-	35,345	35,345
Student Support and Academic Enrichment Program	84.424	-	27,851	27,851
<u>United States Dept. of Education/Louisiana Department of Education/Special Education Cluster</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	-	100,819	100,819
Special Education - High Cost Services	84.027A	-	4,457	4,457
Special Education - School Redesign Grant	84.027A	-	-	-
Special Education - Preschool Grants	84.173	-	3,587	3,587
<i>Total Special Education Cluster</i>			108,863	108,863
<u>United States Dept. of Education/New Schools for New Orleans</u>				
Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)	84.374	-	199,787	199,787
<i>Total Department of Education</i>			815,625	815,625
<u>United States Dept. of Agriculture/Louisiana Department of Education/Child Nutrition Cluster</u>				
National School Lunch Program	10.555	-	169,155	169,155
National School Lunch Program (Commodities)	10.555	-	27,519	27,519
School Breakfast Program	10.553	-	91,659	91,659
Summer Food Services Program for Children	10.559	-	-	-
<i>Total Child Nutrition Cluster</i>			288,333	288,333
<u>United States Dept. of Agriculture/Louisiana Department of Education</u>				
Child and Adult Care Food Program	10.558	-	91,271	91,271
<i>Total Department of Agriculture</i>			379,604	379,604
<i>Total Expenditures of Federal Awards</i>			\$ 1,195,229	\$ 1,195,229

*Success Preparatory Academy did not pass-through any amounts to Subrecipients.

*See independent auditors' report and accompanying notes to the
Schedule of Expenditures of Federal Awards.*

Success Preparatory Academy
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Note 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the revenues from federal awards of Success Preparatory Academy (Success Prep) (a nonprofit organization) as defined in Note 2 to Success Prep's basic financial statements for the year ended June 30, 2020. All federal financial assistance was received directly from federal agencies is included on the Schedule, as well as federal assistance passed through other government agencies.

Note 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Success Prep and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Success Prep has not elected to use the 10% de minimis indirect rate allowed under the Uniform Guidance.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues are reported in Success Prep's basic financial statements as program revenues.

Note 4: LOANS

Success Prep did not expend federal awards related to loans or loan guarantees during the year.

Note 5: FEDERALLY FUNDED INSURANCE

Success Prep has no federally funded insurance.

Note 6: NONCASH ASSISTANCE

Success Prep received National School Lunch Program Commodities of \$27,519 as federal noncash assistance for the fiscal year ended June 30, 2020.

**Success Preparatory Academy
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

Note 7: ON-BEHALF PAYMENTS

Success Prep did not have on-behalf payments.

**Success Preparatory Academy
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(es) identified? _____ yes X none noted

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over financial reporting:

- Material weakness(es) identified? X yes _____ no
- Significant deficiency(es) identified? _____ yes X none noted

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? X yes _____ none noted

Identification of major federal programs:

Federal CFDA Number	Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes? X yes _____ no

**Success Preparatory Academy
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

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

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings noted related to compliance and other matters for the year ended June 30, 2020.

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

2020-001: ACTIVITIES ALLOWED AND UNALLOWED, ALLOWABLE COSTS/COST OF PRINCIPLES, LEVEL OF EFFORT, AND REPORTING

Title and CFDA Number of Federal Program: CFDA 84.010 Title I – Grants to Local Educational Agencies

Federal Award Identification Number and Year: S010A190018 / 2020

Name of Federal Agency: Department of Education

Pass-through Agency: Louisiana Department of Education

Questioned Costs: No questioned costs noted.

Criteria: As described in 2 CFR Part 200.61, subrecipients of federal funds must design and implement internal controls designed to provide reasonable assurance regarding the achievement of the reliability of the reporting for internal and external use.

Condition: There is no control in place to review and approve the allowable costs and activities, application (including the level of effort calculation), and the reimbursement requests before they are submitted to the federal agency for reporting purposes as required by 2 CFR Part 200.

Cause: Controls over the compliance requirement for activities allowed and unallowed, allowable costs/cost of principles, level of effort, and reporting were not designed and implemented appropriately.

**Success Preparatory Academy
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Effect: Lack of controls over this compliance requirement may impact compliance.

Auditors' Recommendation: Management should design, implement, and document policies and procedures to review and approve the Title I application (including the level of effort calculation), and all related reimbursement requests.

Management's Response: See corrective action plan on page 32.

E. MANAGEMENT LETTER

A Management letter was issued for the year ended June 30, 2020.

**Success Preparatory Academy
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2020**

A. PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no prior year findings or questioned costs noted.



Success @ Thurgood Marshall

December 15, 2020

PART III – Findings Related to Major Federal Award Program

2020-001: ACTIVITIES ALLOWED AND UNALLOWED, ALLOWABLE COSTS/COST OF PRINCIPLES, LEVEL OF EFFORT, AND REPORTING

Status: In progress

Management's Response to Finding: Management will design, implement, document control policies to review and approve the allowable costs and activities, application (including the level of effort calculation), and the reimbursement requests before they are submitted to the federal agency for reporting purposes as required by 2 CFR Part 200.

Anticipated Completion Date: January 30, 2021

Responsible Party: Elliott Edwards (Director of Finance) and Adam Meinig (Executive Director)

Signature

Title

Director of Finance

Signature

Title

Executive Director



Carr, Riggs & Ingram, LLC
111 Veterans Boulevard
Suite 350
Metairie, Louisiana 70005

(504) 837-9116
(504)837-0123(fax)
CRIcpa.com

December 15, 2020

To the Board of Directors
Success Preparatory Academy

In planning and performing our audit of the financial statements of the Success Preparatory Academy (Success Prep) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Success Prep's internal control over financial reporting (internal control) as a basis for designing auditing 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 Success Prep's internal control. Accordingly, we do not express an opinion on the effectiveness of Success Prep's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated December 15, 2020, on the financial statements of Success Prep.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Success Prep personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within Success Prep, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Finding 2020 Control Deficiency: Revenue Recorded to Incorrect Sources

Criteria: Revenue should be recorded by source based on guidance from the Louisiana Accounting & Uniform Governmental Handbook.

Condition: Success Prep did not record all revenue by source based on guidance from the Louisiana Accounting & Uniform Governmental Handbook, thus entries were necessary to correctly record revenue by source.

Cause: Revenue received was recorded in an incorrect revenue account.

Effect: Presentation to users of financial statements may not be in accordance with the Louisiana Accounting & Uniform Governmental Handbook.

Recommendation: Success Prep should design, implement and monitor policies and procedures to properly categorize revenue received by source based on guidance from the Louisiana Accounting & Uniform Governmental Handbook.



Success @ Thurgood Marshall

December 15, 2020

Finding 2020 Control Deficiency: Revenue Recorded to Incorrect Sources

Status: In progress

Management's Response to Finding: Management will design, implement and monitor policies and procedures to properly categorize revenue received by source based on guidance from the Louisiana Accounting & Uniform Governmental Handbook.

Anticipated Completion Date: January 30, 2021

Responsible Party: Elliott Edwards (Director of Finance) and Adam Meinig (Executive Director)

Signature

Title

Director of Finance

Signature

Title

Executive Director

SUCCESS PREPARATORY ACADEMY

BESE AGREED-UPON PROCEDURES REPORT

June 30, 2020



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRlcpa.com



Carr, Riggs & Ingram, LLC
111 Veterans Memorial Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Success Preparatory Academy (a nonprofit organization) (the School), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2020; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results related to the accompanying schedules of supplementary information and are as follows:

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

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

Results: No exceptions noted in performing this procedure.

Class Size Characteristics (Schedule 2)

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

Results: No exceptions noted in performing this procedure.

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

3. We will obtain October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Results: Exceptions noted; two (2) of twenty-five (25) individuals' experience level were incorrectly reported on the October 1, 2019 PEP data.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We will obtain June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Results: Exceptions noted; two (2) of twenty-five (25) individuals' salary were incorrectly reported on the June 30, 2020 PEP data, one (1) of twenty-five (25) individuals was not reported on the June 30, 2020 PEP data.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Success Preparatory Academy, as required by Louisiana Revised Statute 24:514 I, and the results 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.

Caru, Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 14, 2020

Success Preparatory Academy
Schedule 1 - General Fund Instructional and Support
Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2020

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 1,646,769	
Other instructional staff activities	415,695	
Instructional Staff Employee benefits	413,954	
Purchased professional and technical services	163,691	
Instructional materials and supplies	237,814	
Less instructional equipment	-	
Total teacher and student interaction activities	-	\$ 2,877,923

Other instructional activities		139,841
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Pupil support activities	\$ 230,237	
Less: Equipment for pupil support activities	-	
Net pupil support activities	-	230,237

Instructional Staff Services	\$ 76,125	
Less: Equipment for instructional staff services	-	
Net instructional staff services	-	76,125

School Administration	\$ 344,626	
Less: Equipment for School Administration	-	
Net School Administration	-	344,626

Total general fund instructional expenditures		\$ 3,668,752
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Total general fund equipment expenditures		\$ -
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*Remainder of the BESE Schedule I does not apply to this School.

See independent accountants' report on applying agreed-upon procedures.

**Success Preparatory Academy
Schedule 2 - Class Size Characteristics
For the Year Ended June 30, 2020**

As of October 1, 2019

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	42%	54	50%	65	8%	10	0%	-
Elementary Activity Classes	8%	2	65%	17	27%	7	0%	-
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

See independent accountants' report on applying agreed-upon procedures.