

BELLE CHASSE ACADEMY, INC. AND AFFILIATE

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Belle Chasse Academy, Inc. and Affiliate
Belle Chasse, Louisiana

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Belle Chasse Academy, Inc. and Affiliate (BCA)** (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
Belle Chasse Academy, Inc. and Affiliate
Belle Chasse, Louisiana

Auditors' Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of **BCA** as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
Belle Chasse Academy, Inc. and Affiliate
Belle Chasse, Louisiana

Other Matters

Other Information


Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, 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*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Also, the accompanying Schedule of Compensation, Benefits and Other Payments to School Leader is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
Belle Chasse Academy, Inc. and Affiliate
Belle Chasse, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020 on our consideration of **BCA'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 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 **BCA's** internal control over financial reporting and compliance.


BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 17, 2020

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

Current assets:

Cash and cash equivalents (NOTES 1 and 9)	\$ 5,566,925
Restricted escrow cash (NOTES 1 and 6)	3,225
Restricted escrow short-term investments (NOTES 1, 2 and 6)	18,746,368
Grants receivable	470,966
Prepaid expenses	212,608
Other assets	38,080
Investments (NOTE 2)	7,588,862
Unconditional promise to give (NOTE 3)	10,700

Total current assets	32,637,734
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Noncurrent assets:

Long-term unconditional promise to give (NOTE 3)	321,000
Debt issuance costs	1,285,862
Property and equipment, net (NOTE 4)	15,179,320

Total noncurrent assets	16,786,182
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Total assets	\$ 49,423,916
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable and accrued liabilities	\$ 954,822
Bonds payable, current (NOTE 6)	420,000
Note payable, current (NOTE 5)	419,679
Interest payable	197,408

Total current liabilities	1,991,909
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Noncurrent liabilities:

Bonds payable, long-term, net (NOTE 6)	17,346,234
Note payable, long-term, net (NOTE 5)	17,912,912

Total noncurrent liabilities	35,259,146
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Total liabilities	37,251,055
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Net assets:

Without donor restrictions (NOTE 1)	11,841,161
With donor restrictions (NOTE 1)	331,700

Total net assets	12,172,861
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Total liabilities and net assets	\$ 49,423,916
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The accompanying notes are an integral part of these consolidated financial statements.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES AND SUPPORT</u>			
Local Sources:			
Income from meals	\$ 162,472	\$ -	\$ 162,472
Contributions	274,987	-	274,987
Fundraising	15,032	-	15,032
Preschool tuition	28,525	-	28,525
Investment income (NOTE 2)	513,137	-	513,137
Other income	99,338	-	99,338
Total revenues from local sources	<u>1,093,491</u>	<u>-</u>	<u>1,093,491</u>
State Sources:			
Minimum Foundation Program	11,116,206	-	11,116,206
Grants	53,941	-	53,941
Total revenues from state sources	<u>11,170,147</u>	<u>-</u>	<u>11,170,147</u>
Federal Sources - Grants	<u>5,436,008</u>	<u>-</u>	<u>5,436,008</u>
Net assets released from restrictions	<u>10,700</u>	<u>(10,700)</u>	<u>-</u>
Total revenues	<u>17,710,346</u>	<u>(10,700)</u>	<u>17,699,646</u>
<u>EXPENSES</u>			
Instruction	8,782,292	-	8,782,292
Supporting services	8,713,931	-	8,713,931
Total expenses	<u>17,496,223</u>	<u>-</u>	<u>17,496,223</u>
Changes in net assets	214,123	(10,700)	203,423
Net assets, beginning of year	<u>11,627,038</u>	<u>342,400</u>	<u>11,969,438</u>
Net assets, end of year	<u>\$ 11,841,161</u>	<u>\$ 331,700</u>	<u>\$ 12,172,861</u>

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

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>PROGRAM</u> <u>SERVICES</u>	<u>SUPPORTING</u> <u>SERVICES</u>	<u>Total</u>
	<u>Instruction</u>	<u>Management</u> <u>and General</u>	
Salaries and wages	\$ 6,896,637	\$ 3,471,896	\$ 10,368,533
Payroll taxes	608,488	142,911	751,399
Employee benefits	440,259	217,453	657,712
Total salaries and related expenses	<u>7,945,384</u>	<u>3,832,260</u>	<u>11,777,644</u>
Professional services	350,001	389,284	739,285
Materials and supplies	364,648	174,202	538,850
Repairs and maintenance	775	58,192	58,967
Utilities	-	144,962	144,962
Insurance	-	139,535	139,535
Transportation	11,490	502,650	514,140
Food service	-	168,066	168,066
Postage, phone and cable	46,501	112,569	159,070
Meals and travel	19,298	6,223	25,521
Dues, fees and licenses	5,527	90,499	96,026
Furniture and equipment	6,033	7,279	13,312
Equipment rental	-	304,380	304,380
Other expenses	32,635	71,204	103,839
Rent	-	10,700	10,700
Amortization	-	55,121	55,121
Depreciation	-	767,067	767,067
Interest	-	1,879,738	1,879,738
Total expenses	<u>\$ 8,782,292</u>	<u>\$ 8,713,931</u>	<u>\$ 17,496,223</u>

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

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 203,423
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	767,067
Amortization expense	55,121
Unrealized gain in investments	(157,023)
Increase in grants receivable	(235,676)
Increase in prepaid expenses	(45,324)
Decrease in unconditional promise to give	10,700
Increase in bond issuance costs	(751,027)
Decrease in other assets	29,230
Increase in accounts payable and accrued liabilities	196,988
Decrease in interest payable	<u>(5,531)</u>
Net cash provided by operating activities	<u>67,948</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(257,099)
Purchases of investments	(22,476,776)
Sales of investments	<u>3,563,663</u>
Net cash used in investing activities	<u>(19,170,212)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from note payable	19,321,994
Principal payments on bonds payable	(400,000)
Principal payments on note payable	<u>(989,403)</u>
Net cash provided by financing activities	<u>17,932,591</u>

Decrease in cash, cash equivalents, and restricted escrow cash (1,169,673)

Cash, cash equivalents and restricted escrow cash, beginning of year 6,739,823

Cash, cash equivalents and restricted escrow cash, end of year \$ 5,570,150

Supplemental Disclosure for Cash Flows Purposes:

Interest paid \$ 1,885,269

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

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies:

Organization

Belle Chasse Academy, Inc. (the Academy) was originally granted a five (5) year charter by the Louisiana State Board of Elementary and Secondary Education (BESE) in 2001 to operate a Type 2 public charter school. BESE granted a ten (10) year renewal of the charter effective June 30, 2017 through June 30, 2027. **The Academy** seeks to provide a quality education and cater to the special needs of military-dependent students, as well as provide convenient access for parents that have long and unusual work hours. **The Academy** seeks to reduce service-connected disruptions and stress on military-dependent students who frequently transfer schools. **The Academy** also provides continuing student counseling on the unique challenges associated with being a military-dependent child.

The Academy accepts students from military families that are located in the New Orleans region, residing both on and off base. While military dependents (to include U. S. Coast Guard dependents) will have priority, according to the approved charter, **the Academy** is a charter public school and has an enrollment policy that may allow non-military dependent students entrance if space is available.

During the 2019-2020 school year, **the Academy** served kindergarten through eighth grades, with an enrollment of 931 students.

The educational mission of **the Academy** is to establish a quality community-oriented charter school, which fosters an educational environment for the military-dependent child and provides:

- o Substantial and direct community and parental participation in school administration;
- o A pooling of resources among community members, parents, and educators;

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,
Continued:

Organization, Continued

- o A comprehensive system to hold teachers, parents, and school administrators accountable for the student educational process;
- o A reliable, flexible, results-oriented, and adaptable system to effectively measure student achievement; and
- o Increased options for parents and students when choosing a school within Plaquemines Parish and contiguous parishes.

Consolidation

The accompanying consolidated financial statements include the accounts of **Belle Chasse Academy, Inc. (the Academy)** and its affiliate, **Belle Chasse Educational Foundation (the Foundation)**, a special-purpose-entity lessor. **The Foundation** meets the criteria for consolidation with **the Academy** as outlined in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-810-25-8, *Not-for-Profit Entities, Consolidation*. All significant inter-organizational balances and transactions were eliminated in consolidation.

The Foundation is a nonprofit organization formed in 2001, which leases school facilities and equipment to **the Academy**. **The Academy** has no ownership interest in **the Foundation**. **The Academy** is the guarantor of **the Foundation's** bonds payable and note payable, which amounted to \$17,766,234 and \$18,332,591, respectively, at June 30, 2020 (see also NOTES 5 and 6).

Total assets of **the Foundation** included in the consolidated financial statements amounted to \$20,367,155. Results of **the Foundation's** operations included in the consolidated financial statements after elimination of inter-organizational transactions consisted primarily of rent expense totaling \$10,700, amortization of bond issuance costs totaling \$55,121 and interest expense totaling \$1,879,738.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,
Continued:

Financial Statement Presentation

As of July 1, 2018, **Belle Chasse Academy, Inc. and Affiliate (BCA)** has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which amends the previous standard for external financial reporting by not-for-profit organizations. Under ASU 2016-14, **BCA** classifies resources for financial accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. A description of the two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. Grants and contributions without donor restrictions, other income and expenses incurred in conducting the mission of **BCA** are included in this category.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

Basis of Accounting

The consolidated financial statements of **BCA** are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies, Continued:

Basis of Accounting, Continued

of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

BCA classifies as cash and cash equivalents all highly liquid debt instruments purchased with original maturities of three (3) months or less.

Property and Equipment

Property and equipment with a cost of \$5,000 or more are recorded as assets (capitalized) and are stated at cost, if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Routine repairs and maintenance are expensed as incurred.

Depreciation is provided using the straight-line method over estimated useful lives ranging from five (5) to forty (40) years.

Revenue Recognition

Revenues from governmental grants are recognized when allowable expenditures are made by **BCA**. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,
Continued:

Revenue Recognition, Continued

Contributions are recorded as unrestricted, or restricted support, depending on the existence and nature of any donor restrictions. All donor-restricted support is recognized as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Contributed Services

BCA receives contributed services from a number of unpaid volunteers assisting BCA with its programs, activities, and operations. An estimated value of these services cannot be reasonably determined as a result of the variety of services provided by and the varying qualifications of the volunteers. Because the criteria for recognition under FASB ASC 958-605-25 have not been satisfied, contributed services are not recorded in the consolidated financial statements.

Compensated Absences

BCA's employees are entitled to paid vacation, sick and personal days off; however, none may be carried forward to subsequent years. Since BCA's employment contracts are renewed annually, employees are not allowed to carry over such time and are paid for unused leave at the end of the school year.

Special Legislative Funding - Minimum Foundation Program Formula (MFP)

BCA, as a Type 2 charter school, received funding from BESE in an amount for pupils based on estimated daily attendance at the school. The amount of funding received is adjusted during the school year based on the October 1st and February 1st student counts and the results of any audits performed.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,
Continued:

Income Taxes

The Academy and the Foundation are exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying consolidated financial statements.

The Academy and the Foundation files as tax-exempt organizations. Should that status be challenged in the future, tax years ended June 30, 2017 and later remain open for examination by the taxing authorities.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among instructional and support services in the accompanying consolidated statement of activities.

Restricted Escrow Cash and Short-Term Escrow Investments

Restricted escrow cash and short-term escrow investments are limited in use to payment of principal and interest on the Refunded Series 2011 Bonds through their maturity dates. These restricted escrow assets are unavailable to general creditors and for general operations.

NOTE 2 - Investments:

At June 30, 2020, **BCA's** investments consist of U.S. Government Securities with fair value of \$26,335,230 and cost basis of \$26,065,405. Investments are presented on the financial statements at fair value. Carrying value is estimated to approximate fair value.

Fair values of investments are determined by quoted market prices and other relevant information generated by market transactions.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Investments, Continued:

Fair value of assets measured on a recurring basis at June 30, 2020 are as follows:

	<u>Fair Value</u>	FAIR VALUE MEASUREMENTS AT REPORTING DATE USING <hr style="width: 100%;"/> Quoted Prices in Active Markets for Identical Assets (Level 1)
U.S. Government Securities	\$ <u>26,335,230</u>	\$ <u>26,335,230</u>

The following summarizes **BCA's** investment return for the year ended June 30, 2020:

Dividend and interest income	\$194,470
Interest income from escrow investments	161,644
Unrealized gain	<u>157,023</u>
Total investment income	<u>\$513,137</u>

NOTE 3 - 50-Year Land Lease:

In October 2001, **the Foundation** entered into a sublease agreement with Louisiana Navy Family Housing L.L.C. to lease the land on which **the Academy** is located for a rental payment of one dollar (\$1) for the entire lease term of October 1, 2001 to October 1, 2051. In the June 30, 2002 fiscal year, a contribution with donor restrictions and receivable (unconditional promise to give) was recognized for \$535,000, which was the fair value amount of the free use of the land at the beginning of the lease term. Over the period of the lease, the unconditional promise to give is reduced by the annual amortized rent expense of \$10,700.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - 50-Year Land Lease, Continued:

The amount of unconditional promise to give receivable at June 30, 2020 is as follows:

Receivable in less than one year	\$ 10,700
Receivable in one to five years	42,800
Receivable in more than five years	<u>278,200</u>
Total unconditional promise to give	<u>\$331,700</u>

NOTE 4 - Property and Equipment:

The following is a summary of property and equipment at June 30, 2020:

Land improvements	\$ 595,613
Building and improvements	23,317,554
Furniture and fixtures	528,593
Machinery and equipment	1,882,210
Software	234,500
Construction in progress	<u>156,012</u>
	26,714,482
Less: accumulated depreciation	<u>(11,535,162)</u>
Property and equipment, net	<u>\$ 15,179,320</u>

Depreciation expense for the year ended June 30, 2020 totaled \$767,067.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 5 - Note Payable:

On October 15, 2019, **the Foundation** borrowed monies from Sunflower Public Finance Company, LLC in the amount of \$19,321,994 for the purpose of refunding all of the Series 2011 Revenue Bonds outstanding at the date of the loan, in an aggregate principal amount of \$18,240,000 and paying costs of issuance of the loan (see NOTE 6). The note payable bears interest at a 5% rate and has a final maturity date of May 1, 2041. The note payable is secured by a mortgage lien.

The economic savings (the difference between the prior debt service and the refunding debt service amounts) **the Foundation** realizes from making the refunding note payable, as described above, is \$178,869 for each of the annual debt service payment dates beginning May 1, 2020 through May 1, 2041. Total gross savings over time is \$3,935,120. The net present value savings of the total economic savings of \$2,083,034 less monies **the Foundation** provided in this advance refunding transaction of \$1,623,912 is \$459,122.

Minimum maturities on the refunding note payable for the next five fiscal years and the aggregate due in more than five fiscal years are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2021	\$ 419,679
2022	531,147
2023	559,811
2024	585,637
2025	620,583
Thereafter	<u>15,615,734</u>
	<u>\$18,332,591</u>

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - Bonds Payable:

On June 1, 2011, **the Foundation** issued \$20,725,000 of Series 2011 Revenue Bonds through the Louisiana Public Facilities Authority, the proceeds of which were made available for the purposes of: (a) financing the construction, furnishing, improving and equipping of improvements to the **Foundation's** existing facilities; (b) refinancing the **Foundation's** outstanding loan with a bank (incurred to finance the original construction of the existing facilities); c) funding a reserve fund; and (d) paying costs of issuance of the bonds. The Series 2011 Revenue Bonds consist of Serial and Variable Rate Bonds, which have a final maturity of May 1, 2041 and bear interest at rates that range from 5.625% to 6.75%. **The Academy** is the guarantor of the bonds.

As of October 15, 2019, **the Foundation** made a taxable loan from a public finance company in the principal amount of \$19,321,994 (see NOTE 5) for the purpose of refunding all of the Series 2011 Bonds outstanding at the date of this loan. The proceeds of the loan of \$19,321,994, along with \$1,623,912 of monies from **the Foundation's** debt service reserve fund were deposited in an irrevocable trust to pay the principal and interest on one (1) Refunded Bond to the maturity date on May 1, 2021 and two (2) other Refunded Bonds to their first optional redemption date of May 2, 2021. The assets restricted to pay all of the principal and interest of the defeased Series 2011 Bonds through the redemption date of May 2, 2021 are reported in the statement of financial position as restricted escrow cash of \$3,225 and restricted escrow short-term investments of \$18,746,368 at June 30, 2020.

According to Section 7.05 of the Lease Financing Agreement, as amended, among Sunflower Public Finance, LLC and **the Foundation** and **the Academy**, dated as of October 1, 2019, **the Academy** is required to maintain at least 100 Days Cash on Hand, as tested as of the end of each fiscal year and maintain a Debt Service Coverage Ratio of 1.20 to 1.00 also as tested as of the end of each fiscal year. **The Academy's** Debt Service Coverage Ratio was .89 and the Days on Hand calculation equaled 303 days based on the audited June 30, 2020 financial statements. The Debt Service Coverage Ratio was adversely impacted by the defeasance of the 2011 Series Bonds, which required the financial statements to reflect both debts; the bonds and the note payable in the debt service calculation ratio. The ratio, absence this requirement, would have been 1.41.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - Bonds Payable, Continued:

The bonds are secured by a mortgage lien, collateral assignment and continuing security interest in all movable and immovable property covered by the lease agreement between **the Foundation** and **the Academy**.

Minimum maturities on bonds payable for the next five fiscal years, the aggregate due in more than five fiscal years, and the amount of the unamortized discount are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2021	\$ 420,000
2022	445,000
2023	475,000
2024	505,000
2025	540,000
Thereafter	<u>15,455,000</u>
	17,840,000
Less: unamortized discount	<u>(73,766)</u>
Bonds payable, net	<u>\$17,766,234</u>

NOTE 7 - Defined Contribution Plan:

BCA sponsors a defined contribution pension plan as defined under Section 401(k) of the U.S. Internal Revenue Code covering substantially all employees. During the year ended June 30, 2020, BCA made matching contributions to the plan of 2% of employee compensation. Employer contributions during the year ended June 30, 2020 were \$118,254.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - Risk Management:

BCA is exposed to various risks of loss related to torts, theft of, damage to and destruction of property for which **BCA** carries commercial liability insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 9 - Concentrations of Risk:

BCA receives a substantial amount of its revenue from federal and state governments. Revenues earned from federal and state governments totaled \$16,606,155, or 94%, of total revenue for the year ended June 30, 2020.

BCA maintains two (2) interest bearing accounts at two (2) financial institutions. The Federal Deposit Insurance Corporation (FDIC) provides up to \$250,000 deposit insurance coverage per depositor, per insured financial institution. At June 30, 2020, **BCA** deposits were fully insured.

NOTE 10 - Board of Directors' Compensation:

The Board of Directors is a voluntary board, therefore, no compensation was paid to any board member during the year ended June 30, 2020.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - Commitments:

BCA leases computers and office equipment under non-cancellable operating leases. Future minimum lease payments under the non-cancellable operating leases are as follows:

For the Year Ending <u>June 30,</u>	
2021	\$212,580
2022	212,580
2023	<u>199,575</u>
	<u>\$624,735</u>

Lease expense totaled \$304,380 for the year ended June 30, 2020.

NOTE 12 - Liquidity and Availability of Resources:

The following represents BCA's financial assets at June 30, 2020:

Financial assets at year end:

Cash and cash equivalents	\$ 5,566,925
Grants receivable	470,966
Investments	7,588,862
Unconditional promise to give	331,700

Less amounts unavailable for general expenditures within one year, due to:

Restricted by donor with purpose restriction	<u>(331,700)</u>
--	------------------

Total financial assets available to management for general expenditures within one year	<u>\$13,626,753</u>
---	---------------------

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - Liquidity and Availability of Resources, Continued:

BCA maintains a practice of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of **BCA's** liquidity management, **BCA's** invests cash in excess of daily need in an over night money market sweep account.

NOTE 13 - Contingencies:

BCA is a recipient of grants from federal and state sources. The grants are governed by various federal and state guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these grants are under the control and administration of **BCA** and are subject to audit and/or review by federal and state agencies. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of applicable federal and state agencies may be subject to recapture.

NOTE 14 - Recently Issued Accounting Pronouncements:

In February 2016, the FASB issued ASU 2016-02, *Conforming Amendments Related to Leases (Topic 842)*. This ASU amends the codification regarding leases in order to increase transparency and comparability. The ASU requires companies to recognize lease assets and liabilities on the statement of financial position and disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. The ASU is effective for annual periods beginning after December 15, 2021 with early adoption permitted. **BCA** is evaluating the impact that implementation of this Update will have on the consolidated financial statements.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 15 - Subsequent Events:

BCA is required to evaluate events or transactions that may occur after the consolidated statement of financial position date for potential recognition or disclosure in the consolidated financial statements. **BCA** performed such an evaluation through December 17, 2020, the date which the consolidated financial statements were available to be issued.

BCA's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID 19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in an adverse impact on **BCA's** subsequent financial statements. Possible effects may include, but not limited to, disruption of **BCA'S** operations and related revenue, unavailability of products and supplies used in operations and possible decline in assets held by **BCA**.

SUPPLEMENTARY INFORMATION

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>Federal Grantor/Program Name</u>	<u>Federal CFDA Number</u>	<u>Activity</u>
<u>U.S. Department of Education</u>		
<i><u>Direct Awards</u></i>		
Impact Aid	84.041	\$ <u>3,719,505</u>
Total Direct Awards		<u>3,719,505</u>
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed-through: LA State Department of Education</u>		
Title I, Part A - Improving the Academic Achievement of the Disadvantaged	84.010	214,624
Title II, Part A - Teacher and Principal Training and Recruiting Fund	84.367	41,695
Title IVA-SSAE	84.424A	13,525
Special Education Cluster:		
Individuals with Disabilities Education Act (IDEA), Part B	84.027	184,628
Individuals with Disabilities Education Act (IDEA), Part B, Pre-K	84.173A	1,369
Enhancing Education Through Technology	84.318	8,640
21 st Century Community Learning Center	84.287C	548,653
SRCL-Striving Readers Comprehensive Literacy	84.371C	<u>343,325</u>
Total Passed-through Awards		<u>1,356,459</u>
Total U.S. Department of Education		<u>5,075,964</u>

See Independent Auditors' Report on Supplementary Information.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020

<u>Federal Grantor/Program Name</u>	<u>Federal CFDA Number</u>	<u>Activity</u>
<u>U.S. Department of Agriculture</u>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<u>Passed-through: LA State Department of Education</u>		
Child Nutrition Cluster:		
National School Lunch Program	10.555	\$ 183,940
Child and Adult Care Food Program (CACFP)	10.558	<u>3,263</u>
Total Passed-through Awards		<u>187,203</u>
Total U.S. Department of Agriculture		<u>187,203</u>
<u>U.S. Department of Defense</u>		
<i><u>Direct Awards</u></i>		
Competitive Grant: Promoting K-12 Achievement at Military Connected Schools	12.556	<u>172,841</u>
Total Direct Awards		<u>172,841</u>
Total U.S. Department of Defense		<u>172,841</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$5,436,008</u>

NOTE 1: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **the Academy** under programs of the federal government for the year ended June 30, 2020 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 consolidated financial statements.

NOTE 2: **The Academy** has not elected to use the 10% de minus indirect cost rate.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE II

**BELLE CHASSE ACADEMY, INC. AND AFFILIATE
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO SCHOOL LEADER
FOR THE YEAR ENDED JUNE 30, 2020**

School Leader Name: Mrs. Jane M. Dye

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 146,016
Benefits - insurance	3,095
Benefits - retirement	3,101
Benefits - office parking	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	<hr/>
	<u>\$ 152,212</u>

See the Independent Auditors' Report on Supplementary Information.



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Joseph A. Akanji, CPA

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
Belle Chasse Academy, Inc. and Affiliate
Belle Chasse, 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 consolidated financial statements of **Belle Chasse Academy, Inc. and Affiliate (BCA)** (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 17, 2020.

Internal Control Over Financial Reporting

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

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
(CONTINUED)

Internal Control Over Financial Reporting, Continued

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

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
(CONTINUED)

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 **BCA's** internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **BCA's** internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 17, 2020



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Joseph A. Akanji, CPA

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
Belle Chasse Academy, Inc. and Affiliate
Belle Chasse, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Belle Chasse Academy, Inc. and Affiliate (BCA)** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **BCA's** major federal programs for the year ended June 30, 2020. **BCA'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.

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for **BCA'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 **BCA'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 its major federal program. However, our audit does not provide a legal determination of **BCA's** compliance.

Opinion on Each Major Federal Program

In our opinion, **BCA** 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.

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

Report on Internal Control Over Compliance

Management of **BCA** 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 **BCA's** internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **BCA'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 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.

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

Report on Internal Control Over Compliance, Continued

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 17, 2020

**BELLE CHASSE ACADEMY, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Section I – SUMMARY AUDITORS' RESULTS

- A. Type of report issued on the consolidated financial statements: **Unmodified.**
- B. Did the audit disclose any material weaknesses in internal control over financial reporting? **No.**
- C. Did the audit disclose any significant deficiencies in internal control over financial reporting that are not considered to be material weaknesses? **None Reported.**
- D. Did the audit disclose any non-compliance which is material to the financial statements? **No.**
- E. Did the audit disclose any material weaknesses in internal control over major federal programs? **No.**
- F. Did the audit disclose any significant deficiencies in internal control over major programs that are not considered to be material weaknesses? **None Reported.**
- G. Type of report issued on compliance for major programs: **Unmodified.**
- H. Did the audit disclose any audit findings required to be reported in accordance with Section 200.516(a) of the Uniform Guidance? **No.**
- I. Was a management letter issued? **No.**

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020

Section I - SUMMARY OF AUDITORS' RESULTS, CONTINUED

J. Identification of Major Programs:

United States Department of Education

Impact Aid (CFDA No. 84.041)

K. Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

L. Auditee qualified as a "low-risk" auditee: **Yes**.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020

**Section II - FINDINGS RELATING TO THE FINANCIAL
STATEMENTS REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

No matters reported.

**Section III - FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS**

No matters reported.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

No matters reported.

Section II - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

No matters reported.

Section III - MANAGEMENT LETTER

No matters reported.

BELLE CHASSE ACADEMY, INC. AND AFFILIATE

EXIT CONFERENCE

The audit report was discussed during the course of the audit and at an exit conference held with management and a member of the Board of Directors of **Belle Chasse Academy, Inc.** The individuals who participated in those discussions were as follows:

BELLE CHASSE ACADEMY, INC.

Mrs. Jane M. Dye	--	School Leader
Mr. Michael Rocks	--	Director of Operations
Mrs. Sheila J. Glass, CPA	--	Business Manager
Ms. Pauline M. Warriner	--	Board Attorney

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Alcide J. Tervalon, Jr., CPA	--	Managing Partner
Mr. Larry Jones, CPA	--	Director

BELLE CHASSE ACADEMY, INC.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2020

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

To the Board of Directors of
Belle Chasse Academy, Inc.,
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 management of **Belle Chasse Academy, Inc. (the Academy)**, 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 Academy** 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 in compliance with Louisiana Revised Statute 24:514 I. Management of **the Academy** 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 described on pages 3 and 4 either for the purpose for which this report has been requested or for any other purpose.

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.

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

(CONTINUED)

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of **the 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.


BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 17, 2020

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES

(CONTINUED)

PROCEDURES AND FINDINGS

Our 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 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.

No differences noted.

Class Size Characteristics (SCHEDULE 2, formerly SCHEDULE 6)

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, 2019 roll books for those classes and observed that the class was properly classified on the schedule.

No difference noted.

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

(CONTINUED)

PROCEDURES AND FINDINGS, CONTINUED

Education Levels/Experience of Public School Staff (No Schedule)

3. We obtained the October 1st PEP data submitted to the Department of Education, 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 is 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.

We noted twenty-four (24) teachers whose years of experience on the October 1, 2019 PEP data was different from the information in the personnel file.

Management's Response

The Human Resource Manager completed an in-house audit on years of experience following submission of the October 1, 2019 PEP report. The Human Resource Manager was not made aware until this audit that the years of experience was required to be tested against the October 1st report (Budget) vs. the June 30th report (Actual). The Human Resource Manager requested support from the auditor on the procedures documenting the need to measure years of experience against October 1st versus June 30th. Following receipt of the support from the auditor, the Human Resource Manager conducted an in-house audit for the 2020-21 beginning of year submission on years of experience prior to the October 1st submission deadline.

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained the June 30th PEP data submitted to the Department of Education 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 is 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.

No differences noted.

BELLE CHASSE ACADEMY, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

SCHEDULE 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum, Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

SCHEDULE 2 - Class Size Characteristics (formerly SCHEDULE 6)

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20; 21-26, 27-33, and 34+ students.

**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	\$ 4,231,687	
Other Instructional Staff Activities	2,557,105	
Instructional Staff Employee Benefits	962,723	
Purchased Professional and Technical Services	302,007	
Instructional Materials and Supplies	364,648	
Instructional Equipment	6,033	
Total Teacher and Student Interaction Activities	\$ 8,424,203	

Other Instructional Activities 358,089

Pupil Support Activities	1,101,760	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	1,101,760	

Instructional Staff Services	407,477	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	407,477	

School Administration	899,842	
Less: Equipment for School Administration	-	
Net School Administration	899,842	

Total General Fund Instructional Expenditures \$ 11,191,371

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	-
Total Local Taxation Revenue	\$ -

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	-
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	\$ -

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

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

**Class Size Characteristics
As of October 1, 2019**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	15%	3	59%	17	26%	7	0%	0
Elementary Activity Classes	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High	8%	1	67%	8	33%	4	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	0%	0	0%	0	0%	0	0%	0
High Activity Classes	0%	0	0%	0	0%	0	0%	0
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

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.

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