



F.A.M.E., Inc.

## Virtural Finance Committee Meeting

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### Date and Time

Thursday May 28, 2020 at 6:00 PM CDT

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Topic: Virtual Finance Committee Meeting

Time: May 28, 2020 06:00 PM Central Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/99570134699?pwd=U1hlcy92MXBtYnBGNXE0dXdqUHdUUT09>

Meeting ID: 995 7013 4699

Password: 203588

One tap mobile

+13126266799,,99570134699#,,1#,203588# US (Chicago)

+19294362866,,99570134699#,,1#,203588# US (New York)

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### Agenda

#### I. Opening Items

Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

**C. Approve Minutes**

Approval of the minutes from the meeting on February 11, 2020.

**II. Finance Reports**

Finance Committee

**A. Financial Statements for the Period Ended April 30, 2020**

**B. Review of the Preliminary Budget for 2020-21**

**III. Other Business**

**A. Review the Proposed "Young Audiences" Contract**

Recommended services for the Gentilly Campus

**B. Policy for IT Procedures**

**C. 403b Plan Governance**

**D. Form 990**

**IV. Closing Items**

**A. Announcements**

The next Finance Committee meeting is scheduled for June 16, 2020

**B. Adjourn Meeting**

# Coversheet

## Approve Minutes

<b>Section:</b>	I. Opening Items
<b>Item:</b>	C. Approve Minutes
<b>Purpose:</b>	Approve Minutes
<b>Submitted by:</b>	
<b>Related Material:</b>	2020_02 11_finance_committee_meeting_agenda_minutes__1_.docx



# F.A.M.E., Inc.

## Finance Committee Meeting

### Minutes

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#### **Date and Time**

Tuesday, February 11, 2020 at 5:30 PM CST

#### **Location**

Gentilly Campus; 4720 Painters St.; New Orleans, LA; Conference Room

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#### **I. Opening Items**

##### **A. Record Attendance and Guests**

<b>Name</b>	<b>Position</b>	<b>Present/Absent</b>
Calvin Tregre	Board Member, 2020	Present
Melissa Russell	Board Member, 2020	Present
Harold LeBlanc	Community Member	Present
Jorge Perez	Community Member	Present
Cristine Coleman	Parent Member	Present
Justin Anderson	CFO	Present
Latoya Brown	CEO	Present
Javier Jalice	Board, Chair	Present

**B.** The meeting was called to order at 5:40p.m. A quorum was present as indicated above.

#### **II. Financial Business**

**A.** Mr. Anderson presented the financial statements for the period ended January 31, 2020. The said financial statements are attached, herewith, as a part of the minutes. As of January 31, 2020, expenditures exceeded revenues by \$1,291,894. Revenues were 53% of the budget, and expenditures were 63% of the budget. The best available estimate at this time is that we could end the fiscal year with a deficit of approximately \$400,000.

**B.** The committee reviewed and approved the quarterly financial report that was submitted to the OPSB.

#### **III. Other Business**

**A.** The committee was provided with an update on the proposed construction project at the Gentilly campus.

#### **IV. Closing Item**

**A.** The next Finance Committee is scheduled for March 17, 2020.

**B.** The meeting was adjourned at approximately at 8:00pm.

# Coversheet

## Financial Statements for the Period Ended April 30, 2020

<b>Section:</b>	II. Finance Reports
<b>Item:</b>	A. Financial Statements for the Period Ended April 30, 2020
<b>Purpose:</b>	Discuss
<b>Submitted by:</b>	
<b>Related Material:</b>	2004 ACS Financial Statement.pdf

**FRENCH AND MONTESSORI EDUCATION INCORPORATED**

**Financial Statements**

**For the Month Ended April 30, 2020**

These financial statements have not been subject to an audit, review, or compilation engagement, and no assurance is provided on them. Substantially all of the disclosures, and the statement of cash flows, required by accounting principles generally accepted in the United States of America have been omitted.

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These financial statements have not been subject to an audit, review, or compilation engagement, and no assurance is provided on them. Substantially all of the disclosures, and the statement of cash flows, required by accounting principles generally accepted in the United States of America have been omitted.

**FRENCH AND MONTESSORI EDUCATION INCORPORATED  
D/B/A AUDUBON CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION  
FOR THE MONTH ENDED APRIL 30, 2020**

**ASSETS****CURRENT ASSETS**

Cash and cash equivalents	\$ 2,705,379
Accounts receivable	648,822
Investments	983,339
Prepaid expenses and other current assets	<u>34,401</u>

Total current assets 4,371,941

PROPERTY AND EQUIPMENT, net 3,809,215

**TOTAL ASSETS \$ 8,181,156**

**LIABILITIES AND NET ASSETS****CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 63,788
Accrued salaries and benefits payable	896,546
Deferred revenues	<u>12,710</u>

Total current liabilities 973,044

**LONG TERM LIABILITIES**

Note Payable	<u>4,075,865</u>
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Total long term liabilities 4,075,865

**NET ASSETS**

Unrestricted net assets	<u>3,132,243</u>
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**TOTAL LIABILITIES AND NET ASSETS \$ 8,181,156**



**FRENCH AND MONTESSORI EDUCATION INCORPORATED  
D/B/A AUDUBON CHARTER SCHOOL  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS AND BUDGET COMPARISON  
FOR THE NINE MONTHS ENDED APRIL 30, 2020**

	<b>AUDUBON UPTOWN Actual</b>	<b>AUDUBON GENTILLY Actual</b>	<b>AUDUBON CENTRAL OFFICE Actual</b>	<b>TOTAL</b>	<b>% ACHIEVED OF ANNUAL</b>
<b>REVENUES AND SUPPORT</b>					
MFP revenues	\$ 6,598,804	\$ 1,411,458	\$ -	\$ 8,010,262	89%
Fee revenues	150,526	77,358	-	\$ 227,884	61%
Public grants and program funding	981,181	179,847	-	\$ 1,161,028	56%
Private grants and donations	210,564	52,978	-	\$ 263,542	46%
Income from investments	43,693	518	-	\$ 44,211	295%
Other income	397,380	53,500	-	\$ 450,880	89%
Released from restrictions				-	
Total revenues and support	8,382,148	1,775,659	-	\$ 10,157,807	79%
<b>EXPENSES</b>					
Salaries	\$ 5,157,536	\$ 1,402,905	\$ 594,966	\$ 7,155,407	97%
Benefits	1,465,250	194,121	201,383	\$ 1,860,754	84%
Disposal	10,962	3,374	-	\$ 14,336	63%
Dues	27,172	7,615	14,352	\$ 49,139	41%
Food service	183,910	63,302	-	\$ 247,212	54%
Insurance	164,359	23,325	-	\$ 187,684	82%
Materials	159,506	31,987	12,542	\$ 204,035	48%
Purchased services	752,515	179,808	60,376	\$ 992,699	104%
Rentals	22,252	-	268	\$ 22,520	88%
Repairs and maintenance	179,198	87,187	-	\$ 266,385	119%
Travel	41,755	1,301	227	\$ 43,283	97%
Utilities	136,167	32,878	-	\$ 169,045	68%
Depreciation	61,033	83,354	-	\$ 144,387	83%
Other expenses	9,426	268	2,275	\$ 11,969	53%
Debt Service	1,956	106,418	-	\$ 108,374	82%
Student Transportation	70,240	92,170	-	\$ 162,410	82%
Total expenses	8,443,237	2,310,013	886,389	11,639,639	91%
<b>CHANGE IN NET ASSETS</b>	<b>\$ (61,089)</b>	<b>\$ (534,354)</b>	<b>\$ (886,389)</b>	<b>\$ (1,481,832)</b>	
NET ASSETS - Beginning of period				4,614,075	
<b>NET ASSETS - End of period</b>				<b>\$ 3,132,243</b>	

These financial statements have not been subject to an audit, review, or compilation engagement, and no assurance is provided on them. Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted.

**FRENCH AND MONTESSORI EDUCATION INCORPORATED**  
**D/B/A AUDUBON CHARTER SCHOOL**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS AND BUDGET COMPARISON**  
**FOR THE MONTH ENDED APRIL 30, 2020**

	AUDUBON UPTOWN	AUDUBON GENTILLY	AUDUBON CENTRAL OFFICE	Total	Budeted	Variance
	Actual	Actual	Actual			
<b>REVENUES AND SUPPORT</b>						
MFP revenues	\$ 867,678	\$ 237,640	-	\$ 1,105,318	\$ 747,759	357,559
Fee revenues	16,020	14,543	-	30,563	\$ 37,230	(6,667)
Public grants and program funding	75,347	1,750	-	77,097	\$ 205,778	(128,681)
Private grants and donations	55,862	4,807	-	60,669	\$ 56,900	3,769
Income from investments	87	-	-	87	\$ 1,250	(1,163)
Other income	14,026	3,621	-	17,647	\$ 50,937	(33,290)
Released from restrictions					\$ -	-
Total revenues and support	1,029,020	262,361	-	1,291,381	1,099,854	191,527
<b>EXPENSES</b>						
Salaries	\$ 421,808	\$ 126,097	\$ 54,366	\$ 602,271	\$ 613,994	(11,723)
Benefits	146,600	19,703	16,657	182,960	\$ 183,800	(840)
Disposal	-	-	-	-	\$ 1,900	(1,900)
Dues	1,563	521	-	2,084	\$ 10,000	(7,916)
Food service	24,389	8,164	-	32,553	\$ 40,197	(7,644)
Insurance	6,998	2,333	-	9,331	\$ 18,647	(9,316)
Materials	579	286	-	865	\$ 35,151	(34,286)
Purchased services	38,479	15,201	15,000	68,680	\$ 97,932	(29,252)
Rentals	2,116	-	-	2,116	\$ 765	1,351
Repairs and maintenance	21,574	6,672	-	28,246	\$ 18,600	9,646
Travel	(49)	-	-	(49)	\$ 3,708	(3,757)
Utilities	11,887	2,423	-	14,310	\$ 20,708	(6,398)
Depreciation	6,103	8,335	-	14,438	\$ 14,583	(145)
Other expenses	-	-	-	-	\$ 1,875	(1,875)
Debt Service	-	19,933	-	19,933	\$ 11,000	8,933
Student Transportation	-	-	-	-	\$ 19,800	(19,800)
Total expenses	682,047	209,668	86,023	977,738	1,092,660	(114,922)
<b>CHANGE IN NET ASSETS</b>				<b>\$ 313,643</b>	<b>\$ 7,194</b>	<b>\$ 306,449</b>
NET ASSETS - Beginning of month				2,818,599		
<b>NET ASSETS - End of month</b>				<b>\$ 3,132,242</b>		

These financial statements have not been subject to an audit, review, or compilation engagement, and no assurance is provided on them. Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted.

**FRENCH AND MONTESSORI EDUCATION INCORPORATED**  
**D/B/A AUDUBON CHARTER SCHOOL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE MONTH ENDED APRIL 30, 2020**

**Cash Flows from Operating Activities**

Changes in Net Assets	\$ (1,481,832)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Net Realized and Unrealized Loss on Investments	(29,957)
Depreciation	144,385
(Increase) Decrease in Assets	-
Accounts Receivable	251,459
Interest Receivable	4,913
Prepaid Expenses	1,343
Increase (Decrease) in Liabilities	-
Accounts Payable	(284,634)
Accrued liabilities	213,127
Deferred Revenue	(89,327)
Total Adjustments	<u>211,310</u>
Net Cash Provided by Operating Activities	<u>\$ (1,270,522)</u>

**Cash Flows from Investing Activities**

Sale of Investments	(32,304)
Purchases of Fixed Assets	<u>(367,803)</u>
Net Cash Used in Investing Activities	<u>\$ (400,107)</u>

**Cash Flows from Financing Activities**

Long term note payable	<u>4,075,865</u>
Net Cash Provided by Financing Activities	<u>\$ 4,075,865</u>

<b>Net Increase in Cash</b>	<b>\$ 2,405,236</b>
<b>Cash, Beginning of Year</b>	<b>\$ 300,138</b>
<b>Cash, End of Year</b>	<b><u><u>\$ 2,705,374</u></u></b>

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**FRENCH AND MONTESSORI EDUCATION INCORPORATED**

**D/B/A AUDUBON CHARTER SCHOOL**

**STATEMENT OF CASH FLOWS**

generally accepted in the United States of America have been omitted.  
**FOR THE MONTH ENDED APRIL 30, 2020**

**FRENCH AND MONTESSORI EDUCATION INCORPORATED  
D/B/A AUDUBON CHARTER SCHOOL  
MANAGEMENT DISCUSSION AND ANALYSIS  
APRIL 30, 2020**

**1. MFP REVENUES**

The total 2% administrative fee, charged by the OPSB for its supervisory role in being the school's granting authority, retained by OPSB for fiscal year 2019-20, is \$174,971 through APRIL 30, 2020 and is recorded within Purchased Services on the Statement of Activities and Change in Fund Balance.

**2. PUBLIC GRANTS & PROGRAM FUNDING**

	<u>Month</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% ACHIEVED</u>
NCLB - Title I		257,578	\$ 325,258	
Title II - Improving Teacher Quality		-		
IDEA-B		141,811		
LA 4	27,938	172,666		
EEF		37,500		
CODOFIL Stipends		63,250		
2018-19 F.A.T. Salary	33,250	299,250		
New School for Nola		-		
Federal Lunch Program	15,909	188,974		
Literacy Grant		-		
Total Public Grants and Program Funding	<u>\$ 77,097</u>	<u>\$ 1,161,028</u>	<u>\$ 2,057,780</u>	<u>56%</u>

**3. PRIVATE GRANTS AND DONATIONS**

	<u>Month</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% ACHIEVED</u>
Chinese - Donation In-Kind (Salaries)	12,900	116,100		
LASIP Program		-		
Give Nola		8,482		
Sunship		-		
DISASTER GRANT	10,000	10,000		
Keller Family		-		
Rosamary Foundation		-		
Annual Giving and Other Donations	17,467	43,880		
Cool Zoo		15,751		
City Park		302		
Kellogg Grant		-		
PTO Mini Grant		-		
Walton Grant		-		
Pro Bono Publico Foundation Grant		15,000		
CSGF	20,000	40,000		
FAME BOARD		-		
GNOF		-		
Fais Do-Do	302	687		
Misc Donations		13,340		
Total Private Grants and Donations	<u>\$ 60,669</u>	<u>\$ 263,541</u>	<u>\$ 569,000</u>	<u>46%</u>

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**FRENCH AND MONTESSORI EDUCATION INCORPORATED**  
**D/B/A AUDUBON CHARTER SCHOOL**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**APRIL 30, 2020**

<b>4. OTHER INCOME</b>	<b>Month</b>	<b>Year to Date</b>	<b>Annual Budget</b>	<b>% ACHIEVED</b>
Charter Care and Arts Reach	\$ 1,705	\$ 249,379		
Other Student Activity	525	68,767		
Consumable Fees	12,710	75,594		
EarthKeepers		-		
Summer Camp	2,500	15,424		
Food Service Revenues	207	15,957		
Other Miscellaneous		25,762		
Total Other Income	<u>\$ 17,647</u>	<u>\$ 450,883</u>	<u>\$ 509,368</u>	<u>89%</u>

<b>5. INVESTMENTS</b>	<b>Balance at 4/30/2020</b>
CDARS Account:	
Principal	
Accrued Interest	
Subtotal	<u>-</u>
Merrill Lynch Account:	
Cash/Money account	25,054
Government and Agency Securities	507,293
Corporate Bonds	229,768
Blackrock Mutual Fund	217,685
Accrued Interest	<u>3,539</u>
Subtotal	<u>983,338</u>
Total Investments	<u>\$ 983,338</u>

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# Coversheet

## Review of the Preliminary Budget for 2020-21

<b>Section:</b>	II. Finance Reports
<b>Item:</b>	B. Review of the Preliminary Budget for 2020-21
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	Preliminary Draft Budget 20-21.pdf

**Audubon Schools**  
**Comparative Income Statements**  
**2020 - 2021 Preliminary Budget Schedule**

	<b>AUDUBON UPTOWN FY 2021</b>	<b>AUDUBON GENTILLY FY 2021</b>	<b>AUDUBON CENTRAL OFFICE FY 2021</b>	<b>TOTAL FY 2021</b>	<b>PRIOR YEAR BUDGET</b>	<b>% CHANGE</b>	<b>19-20 PROJECTION</b>
<b>REVENUES AND SUPPORT</b>							
MFP revenues	7,757,626	2,172,380	-	9,930,006	8,973,106	11%	9,642,679
Fee revenues	214,200	158,100	-	372,300	372,300	0%	245,711
Public grants and program funding	1,334,529	300,575	-	1,635,104	2,057,780	-21%	3,770,335
Private grants and donations	191,000	53,000	-	244,000	569,000	-57%	232,462
Income from investments	15,000	-	-	15,000	15,000	0%	65,939
Other income	227,500	32,000	-	259,500	509,368	-49%	594,154
Released from restrictions				-	353,000		353,000
<b>Total revenues and support</b>	<b>9,739,855</b>	<b>2,716,055</b>	<b>-</b>	<b>12,455,910</b>	<b>12,849,554</b>	<b>-3%</b>	<b>14,904,280</b>
<b>EXPENSES</b>							
Salaries	5,338,372	1,633,930	574,283	7,546,585	7,367,929	2%	7,916,124
Benefits	1,498,636	231,120	172,285	1,902,041	2,205,603	-14%	2,033,957
Disposal	15,000	6,000	-	21,000	22,800	-8%	21,523
Dues	32,760	9,240	2,500	44,500	120,000	-63%	53,652
Food service	275,000	100,000	-	375,000	455,000	-18%	213,188
Insurance	225,000	67,500	-	292,500	230,000	27%	253,537
Materials	100,250	68,560	91,846	260,656	421,811	-38%	279,863
Purchased services	740,809	283,028	153,712	1,177,549	957,212	23%	1,153,321
Rentals	21,500	1,000	2,500	25,000	25,500	-2%	24,364
Repairs and maintenance	176,033	97,169	-	273,202	223,200	22%	360,209
Travel	50,000	2,500	5,000	57,500	44,500	29%	60,895
Utilities	175,500	44,000	-	219,500	248,500	-12%	215,239
Depreciation	75,000	105,000	-	180,000	175,000	3%	173,264
Other expenses	12,500	1,000	2,500	16,000	22,500	-29%	17,685
Debt Service	3,000	135,000	-	138,000	132,000	5%	102,761
Student Transportation	60,000	204,500	-	264,500	198,000	34%	156,300
<b>Total expenses</b>	<b>8,799,360</b>	<b>2,989,548</b>	<b>1,004,626</b>	<b>12,793,534</b>	<b>12,849,554</b>	<b>0%</b>	<b>13,035,881</b>
<b>Surplus (Defecit)</b>	<b>\$ 940,495</b>	<b>\$ (273,493)</b>	<b>\$ (1,004,626)</b>	<b>\$ (337,624)</b>	<b>\$ 0</b>		<b>\$ 1,868,399</b>



# Coversheet

## Review the Proposed "Young Audiences" Contract

<b>Section:</b>	III. Other Business
<b>Item:</b>	A. Review the Proposed "Young Audiences" Contract
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	20-21 LOA Audubon Charter (1).docx



3900 General Taylor St. #201  
New Orleans, LA 70125  
(504) 523-3525

David LaViscount  
**Audubon Charter School**

May 8, 2020

Dear Principal LaViscount,

This letter reflects our intent to provide a residency and after school programming at Audubon Charter School

Each staff member will work 4 hours per day, Monday Tuesday, Thursday and Friday.  
The total fee for these services is **\$87,457.50**. This includes YALA's administration fee of 15%.

Young Audiences agrees to provide:

- Five teaching artists at \$27.50 per hour, 4 hours per day for 131 days for a total of \$72,050.00
- Supplies at \$4,000.
- As many as 2 Professional Development Workshops per year for classroom teachers at no additional cost to the school.
- Curriculum support and review for teaching artists and ongoing professional development for teaching artists at no additional cost to the school.
- Young Audiences administration costs are 15%. Total Administrative fees equal \$11,407.50

The School agrees to the following:

- Provide a safe and secure space for all activities, and storage facilities when available.
- When appropriate, provide access to student test scores to be used only for program evaluation of YALA.
- Pay all invoices on or before the due dates agreed upon by YALA and the School
- Provide bulletin board space to showcase student work as well as YALA signage and branding materials, which could include banners, yard signs, or plaques.
- Provide access to signed photo releases from parents for YALA's use in promotional materials and/or for purposes of documentation.
- Offer invitations to YALA staff for professional development workshops whenever appropriate.
- All services provided by YALA teaching artists must be contracted directly through YALA.

The total discounted cost to Audubon Charter School for these services is **\$87,457.50**. YALA will invoice Audubon Charter on the monthly basis.

Any unused services will be deducted from your final invoice.

We appreciate your support for this programming and look forward to working with the Audubon leadership and faculty to best implement it. Your signature below indicates your acceptance of this proposal.

Sincerely,

Jon Cospers, Director of Extended Learning

Rickie Nutik, Executive Director

Agreed: \_\_\_\_\_ Date: \_\_\_\_\_

David LaViscount, Principal  
Audubon Charter School

# Coversheet

## Policy for IT Procedures

<b>Section:</b>	III. Other Business
<b>Item:</b>	B. Policy for IT Procedures
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	technology security plan.docx

## **Audubon Schools Technology Security Policy A**

### **1. Purpose**

The purpose of this policy is to ensure the secure use and handling of all district data, computer systems and computer equipment by District (Audubon Schools) students, patrons, and employees.

### **2. Policy**

#### **2.1 Technology Security**

It is the policy of Audubon Schools to support secure network systems in the district, including security for all personally identifiable information that is stored on paper or stored digitally on district-maintained computers and networks. This policy supports efforts to mitigate threats that may cause harm to the district, its students, or its employees.

The district will ensure reasonable efforts will be made to maintain network security. Data loss can be caused by human error, hardware malfunction, natural disaster, security breach, etc., and may not be preventable.

All persons who are granted access to the district network and other technology resources are expected to be careful and aware of suspicious communications and unauthorized use of district devices and the network. When an employee or other user becomes aware of suspicious activity, he/she is to immediately contact the Audubon Schools' Information Security Officer with the relevant information.

This policy and procedure also cover third party vendors/contractors that contain or have access to Audubon Schools critically sensitive data. All third-party entities will be required to sign the Restriction on Use of Confidential Information Agreement before accessing our systems or receiving information.

It is the policy of Audubon Schools to fully conform with all federal and state privacy and data governance laws. Including the Family Educational Rights and privacy Act, 20 U.S. Code §1232g and 34 CFR Part 99 (hereinafter "FERPA"), the Government Records and Management Act U.C.A. §62G-2 (hereinafter "GRAMA"), U.C.A. §53A-1-1401 et seq and Utah Administrative Code R277-487.

Professional development for staff and students regarding the importance of network security and best practices are included in the procedures. The procedures associated with this policy are consistent with guidelines provided by cyber security professionals worldwide and in accordance with Utah Education Network and the Utah State Office of Education. Audubon Schools supports the development, implementation and ongoing improvements for a robust security system of hardware and software that is designed to protect Audubon Schools' data, users, and electronic assets.

### **3. Procedure**

#### **3.1. Definitions:**

3.1.1. Access: Directly or indirectly use, attempt to use, instruct, communicate with, cause input to, cause output from, or otherwise make use of any resources of a computer, computer system, computer network, or any means of communication with any of them.

3.1.2. Authorization: Having the express or implied consent or permission of the owner, or of the person authorized by the owner to give consent or permission to access a computer, computer system, or computer network in a manner not exceeding the consent or permission.

3.1.3. Computer: Any electronic device or communication facility that stores, retrieves, processes, or transmits data.

3.1.4. Computer system: A set of related, connected or unconnected, devices, software, or other related computer equipment.

3.1.5. Computer network: The interconnection of communication or telecommunication lines between: computers; or computers and remote terminals; or the interconnection by wireless technology between: computers; or computers and remote terminals.

3.1.6. Computer property: Includes electronic impulses, electronically produced data, information, financial instruments, software, or programs, in either machine or human readable form, any other tangible or intangible item relating to a computer, computer system, computer network, and copies of any of them.

3.1.7. Confidential: Data, text, or computer property that is protected by a security system that clearly evidences that the owner or custodian intends that it not be available to others without the owner's or custodian's permission.

3.1.8. Encryption or encrypted data – The most effective way to achieve data security. To read an encrypted file, you must have access to a secret key or password that enables you to decrypt it.

3.1.9. Personally Identifiable Information (PII) - Any data that could potentially identify a specific individual. Any information that can be used to distinguish one person from another and can be used for de-anonymizing anonymous data can be considered Protected data

3.1.10. Security system: A computer, computer system, network, or computer property that has some form of access control technology implemented, such as encryption, password protection, other forced authentication, or access control designed to keep out unauthorized persons.

3.1.11. Sensitive data - Data that contains personally identifiable information.

3.1.12. System level – Access to the system that is considered full administrative access. Includes operating system access and hosted application access.

### 3.2. Security Responsibility

3.2.1. Audubon Schools shall appoint, and IT Lead, responsible for overseeing District-wide IT security, to include development of District policies and adherence to the standards defined in this document.

### 3.3. Training

3.3.1 Audubon Schools, led by the IT Lead, shall ensure that all District employees having access to sensitive information undergo annual IT security training which emphasizes their personal responsibility for protecting student and employee information. - Training resources will be provided to all District employees.

3.3.2. Audubon Schools, led by the IT Lead, shall ensure that all students are informed of Cyber Security Awareness.

### 3.4. Physical Security

#### 3.4.1. Computer Security

3.4.1.1. Audubon Schools shall ensure that any user's computer must not be left unattended and unlocked, especially when logged into sensitive systems or data including student or employee information. Automatic log off, locks and password screen savers should be used to enforce this requirement.

3.4.1.2. Audubon Schools shall ensure that all equipment that contains sensitive information will be secured to deter theft.

#### 3.4.2. Server/Network Room Security

3.4.2.1. Audubon Schools shall ensure that server rooms and telecommunication rooms/closets are protected by appropriate access control which segregates and restricts access from general school or District office areas. Access control shall be enforced using either keys, electronic card readers, or similar method with only those IT or other staff members having access necessary to perform their job functions are allowed unescorted access.

3.4.2.2. Telecommunication rooms/closets may only remain unlocked or unsecured when because of building design it is impossible to do otherwise or due to environmental problems that require the door to be opened.

#### 3.4.3. Contractor access

3.4.3.1. Before any contractor is allowed access to any computer system, server room, or telecommunication room the contractor will need to present a company issued identification card, and his/her access will need to be confirmed directly by the authorized employee who issued the service request or by Audubon Schools' Technology Department.

### 3.5. Network Security

3.5.1. Network perimeter controls will be implemented to regulate traffic moving between trusted internal (District) resources and external, untrusted (Internet) entities. All network transmission of sensitive data should enforce encryption where technologically feasible.

#### 3.5.2. Network Segmentation

3.5.2.1. Audubon Schools shall ensure that all untrusted and public access computer networks are separated from main district computer networks and utilize security policies to ensure the integrity of those computer networks.

3.5.2.2. Audubon Schools will utilize industry standards and current best practices to segment internal computer networks based on the data they contain. This will be done to prevent unauthorized users from accessing services unrelated to their job duties and minimize potential damage from other compromised systems.

#### 3.5.3. Wireless Networks

3.5.3.1. No wireless access point shall be installed on *[Insert name of LEA here]*'s computer network that does not conform with current network standards as defined by the Network Manager. Any exceptions to this must be approved directly in writing by the Information Security Officer.

3.5.3.2. Audubon Schools shall scan for and remove or disable any rogue wireless devices on a regular basis.

3.5.3.3. All wireless access networks shall conform to current best practices and shall utilize at minimal WPA encryption for any connections. Open access networks are not permitted, except on a temporary basis for events when deemed necessary.

#### 3.5.4. Remote Access

3.5.4.1. Audubon Schools shall ensure that any remote access with connectivity to the internal network is achieved using the its centralized VPN service that is protected by multiple factor authentication systems. Any exception to this policy must



be due to a service provider's technical requirements and must be approved by the Information Security Officer.

### 3.6. Access Control

3.6.1. System and application access will be granted based upon the least amount of access to data and programs required by the user in accordance with a business need-to-have requirement.

#### 3.6.2. Authentication

3.6.2.1. Audubon Schools shall enforce strong password management for employees, students, and contractors.

##### 3.6.2.2. Password Creation

3.6.2.2.1. All server system-level passwords must conform to the Password Construction Guidelines posted on the Audubon Schools Technology Website.

##### 3.6.2.3. Password Protection

3.6.2.3.1. Passwords must not be shared with anyone. All passwords are to be treated as sensitive, Confidential information.

3.6.2.3.2. Passwords must not be inserted into email messages or other forms of electronic communication.

3.6.2.3.3. Passwords must not be revealed over the phone to anyone.

3.6.2.3.4. Do not reveal a password on questionnaires or security forms.

3.6.2.3.5. Do not hint at the format of a password (for example, "my family name").

3.6.2.3.6. Any user suspecting that his/her password may have been compromised must report the incident and change all passwords.

#### 3.6.2. Authorization

3.6.2.1. Audubon Schools shall ensure that user access shall be limited to only those specific access requirements necessary to perform their jobs. Where possible, segregation of duties will be utilized to control authorization access.

3.6.2.2. Audubon Schools shall ensure that user access should be granted and/or terminated upon timely receipt, and management's approval, of a documented access request/termination.

### 3.6.3. Accounting

3.6.3.1. Audubon Schools shall ensure that audit and log files are maintained for at least ninety days for all critical security-relevant events such as: invalid logon attempts, changes to the security policy/ configuration, and failed attempts to access objects by unauthorized users, etc.

### 3.6.4. Administrative Access Controls

3.6.4.1. Audubon Schools shall limit IT administrator privileges (operating system, database, and applications) to the minimum number of staff required to perform these sensitive duties.

## 3.7. Incident Management

3.7.1. Monitoring and responding to IT related incidents will be designed to provide early notification of events and rapid response and recovery from internal or external network or system attacks.

## 3.8. Business Continuity

3.8.1. To ensure continuous critical IT services, IT will develop a business continuity/disaster recovery plan appropriate for the size and complexity of District IT operations.

3.8.2 Audubon Schools] shall develop and deploy a district-wide business continuity plan which should include as a minimum:

- Backup Data: Procedures for performing routine daily/weekly/monthly backups and storing backup media at a secured location other than the server room or adjacent facilities. As a minimum, backup media must be stored off-site a reasonably safe distance from the primary server room.
- Secondary Locations: Identify a backup processing location, such as another School or District building.
- Emergency Procedures: Document a calling tree with emergency actions to include: recovery of backup data, restoration of processing at the secondary location, and generation of student and employee listings for ensuing a full head count of all.

### 3.9. Malicious Software

3.9.1. Server and workstation protection software will be deployed to identify and eradicate malicious software attacks such as viruses, spyware, and malware.

3.9.2 Audubon Schools shall install, distribute, and maintain spyware and virus protection software on all district-owned equipment, i.e. servers, workstations, and laptops.

3.9.3. Audubon Schools shall ensure that malicious software protection will include frequent update downloads (minimum weekly), frequent scanning (minimum weekly), and that malicious software protection is in active state (real time) on all operating servers/workstations.

3.9.4. Audubon Schools shall ensure that all security-relevant software patches (workstations and servers) are applied within thirty days and critical patches shall be applied as soon as possible.

3.9.5. All computers must use Audubon Schools approved anti-virus solution.

3.9.6. Any exceptions to section 3.9 must be approved by the Information Security Officer.

### 3.10. Internet Content Filtering

3.10.1. In accordance with Federal and State Law, Audubon Schools shall filter internet traffic for content defined in law that is deemed harmful to minors.

3.10.2. Audubon Schools acknowledges that technology-based filters are not always effective at eliminating harmful content and due to this, Audubon Schools uses a combination of technological means and supervisory means to protect students from harmful online content.

3.10.3. In the event that students take devices home, Audubon Schools will provide a technology-based filtering solution for those devices. However, Audubon Schools will rely on parents to provide the supervision necessary to fully protect students from accessing harmful online content.

3.10.4. Students shall be supervised when accessing the internet and using district owned devices on school property.

### 3.11. Data Privacy

3.11.1. Audubon Schools considers the protection of the data it collects on students, employees and their families to be of the utmost importance.

3.11.2. Audubon Schools protects student data in compliance with the Family Educational Rights and privacy Act, 20 U.S. Code §1232g and 34 CFR Part 99 ( "FERPA"), the Government Records and Management Act U.C.A. §62G-2 ( "GRAMA"), U.C.A. §53A-1-1401 et seq, 15 U.S. Code §§ 6501–6506 ("COPPA") and Utah Administrative Code R277-487 ("Student Data Protection Act").

3.11.3 Audubon Schools shall ensure that employee records access shall be limited to only those individuals who have specific access requirements necessary to perform their jobs. Where possible, segregation of duties will be utilized to control authorization access.

### 3.13. Security Audit and Remediation

3.13.1 Audubon Schools] shall perform routine security and privacy audits in congruence with the Audubon Schools Information Security Audit Plan.

3.13.2. Audubon Schools administration shall develop remediation plans to address identified lapses that conforms with the Audubon Schools' Information Security Remediation Plan Template.

3.14. Employee Disciplinary Actions shall be in accordance with applicable laws, regulations and District policies. Any employee found to be in violation may be subject to disciplinary action up to and including termination of employment with the Audubon Schools.

# Coversheet

## 403b Plan Governance

**Section:** III. Other Business  
**Item:** C. 403b Plan Governance  
**Purpose:** Discuss

**Submitted by:**

**Related Material:**

Audubon Board Resolutions to Establish Retirement Plan Committee.docx

Audubon Retirement Plan Committee Charter.docx

Audubon Retirement Plan Investment Policy Statement\_.docx

# Resolutions to Establish Retirement Plan Committee

## CONSENT IN LIEU OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF **French and Montessori Education, Inc.**

The undersigned, being all of the members of the Board of Directors ("Board") of French and Montessori Education, Inc. ("Audubon Schools"),

by their signatures below, hereby unanimously approve and adopt the following resolutions, effective as of \_\_\_\_\_  
Date

WHEREAS, Audubon Schools maintains the Audubon School's 401(k) Retirement Plan Trust (the "Plan");

WHEREAS, the Board has the authority to administer the Plan; and

WHEREAS, under the Plan, the Board has the authority to delegate Fiduciary and Administrative duties to a Retirement Plan Committee (the "Committee").

NOW, THEREFORE, BE IT RESOLVED, that Audubon Schools hereby appoints to serve as members of the Committee;

RESOLVED, FURTHER, that, Audubon Schools hereby adopts a Committee Charter spelling out duties and responsibilities of the Committee;

RESOLVED, FURTHER, that, Audubon Schools hereby delegates specific fiduciary duties to the Committee pursuant to the Committee Charter;

RESOLVED FURTHER, that the Board of Audubon Schools and appointed members of the Committee below are hereby authorized and directed to do all acts, to execute, acknowledge, and deliver all instruments and documents, and to expend all sums necessary or appropriate to carry out the intent of the foregoing preambles and resolutions.

**Justin Anderson, Erneshia Calvin and David LaViscount**

RESOLVED FURTHER, that this Consent may be executed in one or more counterparts, and such counterparts taken together shall constitute the original hereof, and that copies of the foregoing resolutions shall be filed with the minutes of the LLC.

Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# **Retirement Plan Committee Charter**

## **Audubon Schools**

### **\_\_\_\_\_ Date**

1. The Retirement Plan Committee shall be composed of individuals appointed by the Board of Directors ("Board") of French and Montessori Education, Inc. ("Audubon Schools"). The Retirement Plan Committee shall act pursuant to authority delegated by the Board of the Plan Sponsor, subject at all times to the right of the Board to withdraw such delegation and undertake the responsibilities previously delegated to the Retirement Plan Committee directly.
2. The main purpose of the Retirement Plan Committee is to act pursuant to delegated authority by the Board to satisfy the obligations of the Board under the Employee Retirement Income Security Act of 1974, as amended as follows:
  - a. Establishing and maintaining the Investment Policy statement;
  - b. Selecting investment options;
  - c. Selecting investment managers;
  - d. Periodically evaluating the Plan's investment performance and recommending investment option changes; and
  - e. Providing Plan participant investment education and communication.
3. The Retirement Plan Committee shall follow all the policies and procedures set forth in the Investment Policy statement (the "Investment Policies") of the Plan, as from time to time may be amended by the Board subject to approval by the Board. In case of any conflict between the terms of this Charter and the terms of the Investment Policies, the terms of the Investment Policies shall take precedence over the terms of this Charter and shall govern the activities of the Retirement Plan Committee.
4. The Retirement Plan Committee shall consist of no less than five members as the Board may from time to time designate.
5. At any time that the Retirement Plan Committee is required to act pursuant to the Investment Policies, it shall convene a meeting of the Retirement Plan Committee.
6. Five members of the Retirement Plan Committee shall constitute a quorum for any action to be taken by the Retirement Plan Committee at a meeting. A majority of the members participating in the meeting may take any action or make any determination at a meeting of the Retirement Plan Committee; providing, however, that members participating in the meeting must agree to take any action or make any determination in the case of a meeting consisting of only five members. Members of the Retirement Plan Committee may participate in a meeting of such Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.
7. The Retirement Plan Committee shall provide information to the Plan's Service Provider to assist the Plan's Service Provider in preparing all necessary documents.
8. The Retirement Plan Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to consult counsel to the Plan and other experts or consultants at the expense of the Plan.
9. This Charter may be amended by action of five or more of the members of the Retirement Plan Committee at a meeting or by the Board; providing that, if amended by the Retirement Plan Committee, the Retirement Plan Committee shall present such Charter, as amended, to the Board at its next regularly scheduled meeting.

## Retirement Plan Committee Charter (continued)

### ADMINISTRATIVE DUTIES:

- Confirm that all Plan operations, administrative and otherwise, are being carried out as prescribed by the Plan.
- Retain documents consistent with current regulations.
- Confirm and maintain timely remittance of participant contributions pursuant to current DOL regulations.
- Maintain reports from each service provider associated with the Plan (Investment Advisor/consultant, recordkeeper, legal counsel).
- Adopt any necessary amendments or restatements to the Plan Document.
- Review results of compliance testing annually.
- Review general plan provisions and implement appropriate changes.
- Review applicable legislative updates and significant pending legislation.
- Confirm that all necessary reporting to participants, vendors and appropriate governmental agencies is accomplished and documented on a timely basis.
- Review and confirm current regulatory compliance status and initiate any appropriate corrections to ensure compliance.
- Coordinate all participant education/communications activities.
- Review, confirm and document competitiveness of plan expenses and services for each plan vendor.
- Provide for Retirement Plan Committee fiduciary education as necessary.

Investment Committee Charter Executed: \_\_\_\_\_  
(Date)

Justin Anderson

Erneshia Calvin

David LaViscount



## **Audubon Schools Retirement Plan Investment Policy Statement**

### **Part I. THE PLAN**

Audubon Schools ("Company") sponsors a defined contribution plan (the "Plan") for the benefit of its employees and their designated beneficiaries. The Company has appointed a Retirement Plan Committee to fulfill the Company's fiduciary duties in regard to Plan investments. The Plan is intended to provide participating employees the ability to create long-term accumulation of savings through contributions to individual participant accounts and the earnings thereon.

The Plan is a qualified employee benefit plan intended to comply with all applicable federal laws and regulations, including section 401(a) of the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974 (ERISA), as amended. In addition, the Plan is intended to comply with ERISA Section 404(c) and applicable Department of Labor regulations.

The Plan's participants and beneficiaries are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, participants and beneficiaries will be able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. Participants and beneficiaries alone bear the risk of gains or losses of their investment options and their asset allocation.

### **Part II. THE PURPOSE OF THE INVESTMENT POLICY STATEMENT**

This Investment Policy Statement is intended to assist the Plan's fiduciaries by establishing nonbinding guidelines for making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, periodic monitoring and evaluation of the investment options offered by the Plan.

Specifically, this Investment Policy Statement:

- Defines the Plan's investment objectives.
- Defines the roles of those responsible for the Plan's investments.
- Describes the criteria and procedures for selecting the investment options.
- Establishes investment procedures, measurement standards and monitoring procedures.
- Describes potential corrective actions the Retirement Plan Committee can take should investment options (or their respective managers) fail to satisfy established objectives, if the Retirement Plan Committee determines that such actions are prudent and advisable given the circumstances.
- Describes the types of educational materials to be provided to Plan participants and beneficiaries.
- Describes certain fiduciary obligations and related applicable laws and regulations.

The guidelines provided in this Investment Policy Statement do not constitute a contract. These guidelines are also not meant to be a statement of mandatory requirements. Rather, these guidelines are only an explanation of general principles and guidelines being currently applied for investment option selection, retention and replacement. Furthermore, these guidelines are not the sole factors considered by the Retirement Plan Committee in the process. This Investment Policy Statement is not intended to, and shall not be deemed to expand the fiduciary duties of the Retirement Plan Committee, or its individual members, or to create duties that do not exist under ERISA.

This Investment Policy Statement will be reviewed periodically, and, if appropriate, may be amended by the Retirement Plan Committee at any time to reflect changes in the capital markets, Plan objectives, or other factors relevant to the Plan.

This Investment Policy Statement (including the criteria for the selection and monitoring of investment options under the Plan) does not apply to employer securities (also known as Company stock) if offered under the Plan.

### **Part III. INVESTMENT OBJECTIVES**

The Retirement Plan Committee will select the Plan's investment options based on criteria deemed relevant, from time to time, by the Retirement Plan Committee. These criteria may include, but are not limited to, the following:

- Maximization of return within reasonable and prudent levels of risk.
- Provision of returns comparable to returns for similar investment options.
- Provision of exposure to a wide range of investment opportunities in various asset classes and vehicles.
- Control administrative and management fees.
- Provision of appropriate diversification within investment vehicles.
- Investment's adherence to stated investment objectives and style.

### **Part IV. ROLES AND RESPONSIBILITIES**

Subject to the terms of the Plan document, the Retirement Plan Committee is responsible for selecting the trustee(s); hiring the recordkeeper; hiring the investment consultant; selecting the investment options, and selecting an investment(s) for default(s) when a participant or beneficiary fails to provide investment direction. The Retirement Plan Committee is also responsible for:

- Establishing and maintaining the Investment Policy Statement.
- Periodically evaluating the Plan's investments' performances and considering investment option changes.
- Periodically monitoring the performance and fees charged by service providers.
- Periodically monitoring any other Plan fees.
- Providing for Plan participant investment education and communication.

In executing its responsibilities, the Retirement Plan Committee will make decisions in accordance with all applicable fiduciary standards of ERISA Section 404(a) as follows:

- Solely in the interest of Plan participants and beneficiaries, for the exclusive purpose of providing Plan benefits and defraying reasonable administrative fees;
- With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims; and
- In accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of ERISA.

All investments selected by the Retirement Plan Committee are intended to meet requirements of ERISA section 404(c).

### **Part V. MONITORING OF SERVICE PROVIDERS**

Service providers should be monitored on an ongoing and regular basis. Administrative and/or recordkeeping service providers may be benchmarked against, but not limited to, industry averages and/or other provider quotes. Monitoring for these service providers should include, but not be limited to, an evaluation of the provider's:

- Investment offerings and services
- Recordkeeping technology and services
- Compliance services and support
- Technology
- Participant access and communications
- Fees

The ongoing monitoring of the Plan's service providers is to ensure that total Plan fees, services and investment opportunities are competitive and reasonable.

Investment consultant service providers (Plan and participant level) should be monitored regularly and the evaluation should include, but not be limited to, consideration of the provider's:

- Investment due diligence processes
- Fiduciary guidance and services
- RFP/Benchmarking scope and services
- Technology
- Participant-level access, communications and advice (if applicable)
- Fees

## **Part VI. SELECTION OF INVESTMENT OPTIONS**

The selection of investment options offered under the Plan is among the Retirement Plan Committee's most important responsibilities. Set forth below are the considerations and guidelines that the Retirement Plan Committee should employ in fulfilling this fiduciary responsibility.

The Plan intends to provide an appropriate range of investment options that, in the aggregate, will allow Plan participants to construct portfolios consistent with their unique individual circumstances, goals, time horizons and tolerance for risk. The Plan will make available to participants at a minimum, at least three broadly diversified investment options, each of which shall offer materially different risk and return characteristics and which in the aggregate are sufficient in permitting the participants, by choosing among them, to materially affect the potential return and degree of risk on their accounts, as well as minimizing the risk of large losses within the range normally appropriate for the participant, in accordance with the requirements of ERISA Section 404(c). The Retirement Plan Committee, shall be responsible for the Plan-level investment selection process, as set forth in this Investment Policy Statement, but cannot guarantee investment results for any selected investment option.

Major asset classes to be considered may include, but are not limited to:

### **Conservative Investments**

Cash and liquid investments including, but not limited to, money market, stable value and guaranteed interest accounts.

### **Income Investments**

Income oriented investments including, but not limited to, low, medium and high-quality bond investments, with short, intermediate and/or long-term duration. Management styles may be indexed and actively managed international, global and domestic styles.

**Equity Investments**

Investments that invest in equity securities, both domestic and foreign, including, but not limited to, small, medium and large market capitalization, with value, blend and growth investment objectives, which may be actively managed or indexed.

**Asset Allocation Investments**

Investments or accounts that invest in a combination of conservative, income and equity investments, “fund of funds” accounts combining several of the above investments into one or a series of investments, and “manager of managers” accounts combining several different investment styles and fund managers into one account or a series of accounts.

**Other Investments**

In addition to the foregoing major assets classes, the Retirement Plan Committee may also consider other appropriate investments in other styles or asset classes offered through vehicles such as commingled trusts, insurance company separate accounts through a group annuity contract and mutual funds. Notwithstanding the foregoing, the Retirement Plan Committee may consider, but is not required, to include in the investment menu any specific investment asset class, option or style.

After considering the desired asset classes, the Retirement Plan Committee will evaluate and choose the appropriate investment option(s) desired to be offered by the Plan’s investment menu. If an investment manager (responsible for the underlying investment vehicle, such as a mutual fund, commingled account, collective trust or separate account) is chosen as a potential investment option, the following minimum criteria should be considered:

1. The investment manager should be a bank, insurance company, investment management, mutual fund company or an investment adviser registered under the Investment Advisers Act of 1940;
2. The investment’s manager should operate in good standing with regulators and clients, with no material pending or concluded legal actions against it; and
3. All relevant quantitative and qualitative information on the manager and investment should be made available by the manager and/or vendor.

In addition to the minimum criteria above, the Retirement Plan Committee should consider the following standards for selection of all investments:

1. Investment performance should be competitive with an appropriate style-specific benchmark and the median return for an appropriate, style-specific peer group (where appropriate and available, long-term performance of an investment manager may be inferred through the performance of another investment with similar style attributes managed by such investment manager);
2. Specific risk and risk-adjusted return measures should be reviewed by the Retirement Plan Committee and be within a reasonable range relative to appropriate, style-specific benchmark and peer group;
3. The investment should demonstrate adherence to the stated investment objective, without excess style drift over trailing performance periods;
4. Fees and fee structures should be competitive compared with similar investments reasonably available to the Plan; part of this examination includes a review of the proper use of investment-generated fees (and related revenue) to offset Plan recordkeeper fees, which should also be reviewed on a periodic basis;
5. The investment should exhibit attractive qualitative characteristics, including, but not limited to, acceptable manager tenure; and

6. The investment should be able to provide performance, holdings and other relevant information in a timely fashion with specified frequency.

Furthermore, investments will be evaluated and selected utilizing a “score card,” detailed below in Part VII (Investment Monitoring and Reporting).

## **Part VII. INVESTMENT MONITORING AND REPORTING**

The ongoing monitoring of investments is a regular and disciplined process intended to ensure that a previously selected investment option continues to satisfy the selection process and that an investment option continues to be a prudent option offered for investment in the Plan. The process of monitoring investment performance relative to specified guidelines will be consistently applied. Frequent change of investments is neither expected nor desired.

The Retirement Plan Committee will bear in mind any and all political, social, economic or other changes that may potentially require more frequent review and consideration of investments. The following are some, but not all, general factors that may be considered in ongoing monitoring:

- Current regulatory environment,
- Current state of capital markets,
- Performance of investment alternatives,
- Utilization of accounts by Plan demographic,
- The prudent applicability of this Investment Policy Statement as written, in light of prevailing facts and circumstances.

Monitoring will generally utilize the same investment selection criteria used in the original selection analysis, or such other criteria as deemed prudent by the Retirement Plan Committee. Unusual, notable, or extraordinary events should be communicated by each investment and/or provider on a timely basis to the Retirement Plan Committee. Examples of such events include portfolio manager or team departure, violation of investment guidelines, material litigation against the investment management firm, or material changes in firm ownership structure and announcements thereof.

If overall satisfaction with the investment option is acceptable, no further action is required. If areas of dissatisfaction exist, the Retirement Plan Committee will monitor whether the investment is taking appropriate and prudent steps to remedy the deficiency. If over a reasonable period the issue remains unresolved, removal of the investment option may result.

For supported asset classes, a “score card” will be maintained and documented (see addendum) to substantiate acceptable levels of performance and appropriate style characteristics. Based upon objective criteria, derived from modern portfolio theory concepts, each investment option will receive a score reflecting its overall performance.

If an investment fails to meet the criteria standards, as determined by its score, it may be placed on a “watch list” (as defined in the attached Addendum). If the investment maintains a watch list score for four consecutive quarters, or five out of eight quarters, the investment may be considered for further action (see Part IX below) by the Retirement Plan Committee. In the event an investment receives a score which is below that of “watch list” status, or experiences extraordinary circumstances which may render it imprudent to maintain, it may be considered for action (see Part IX below) by the Retirement Plan Committee at the earliest administratively practicable date.

If the investment meets criteria standards, as determined by its score as “acceptable” or “good” (as defined in the attached Addendum) for four consecutive quarters, it may be removed from the watch list.

Cash, or principal preservation, alternatives should be reviewed with a primary focus on the investment’s ability to preserve capital and minimize risk. Criteria reviewed should include, but not be limited to, credit quality, diversification and stability of insurance provider, if applicable.

Asset allocation investments should be scored and monitored in the same manner as all other investments, using the previously described guidelines in Part VII. Because many of these investments contain separate underlying investment funds, it may also be appropriate to score and monitor those, as available and applicable. Unlike other investments which are monitored and scored individually, target-date investments, though potentially scored individually, should be evaluated as a group. Due to the unique importance of these investment options for participants in the Plan, investments or suites of investments (as may be applicable), or managed accounts failing to achieve criteria standards should be carefully reviewed before removal from the Plan (in the absence of a reasonable alternative).

In the event asset allocation investments have too brief a time history to be scored, the investment or suite should be evaluated both qualitatively and quantitatively on the underlying investments that may have a longer time history available, using a proxy, or a qualitative framework for all other instances.

Investments where no score is applied due to specialty focus, short time history or other unique circumstances should be reviewed using a proxy, where applicable and prudent, or a qualitative framework for all other instances.

The foregoing investment monitoring criteria shall not, under any circumstances, be taken as definitive, conclusive, or controlling for removal, termination or continuation of an investment option. All determinations should be made by the Retirement Plan Committee, in its sole discretion, taking into consideration all relevant facts and circumstances.

Unless the Plan document requires inclusion of Company stock as an investment option, the Retirement Plan Committee retains full responsibility for the offering and monitoring of any self-directed brokerage account(s) and/or Company stock offered as an investment option, which will be reviewed periodically as determined by the Retirement Plan Committee based on criteria determined by the Retirement Plan Committee. Special considerations should be contemplated and discussed before allowing either as an investment option. In the event the Plan document requires inclusion of Company stock as an investment option, the Company retains sole fiduciary responsibility for monitoring, retaining or removing Company stock as an investment option in the Plan.

## **PART VIII: ASSET ALLOCATION AND DEFAULT STRATEGY**

The Retirement Plan Committee will evaluate and choose an investment or set of investments, or multiple investments, to serve as the default investment(s) for the Plan. The default investment(s) will be the designated investment for dollars contributed to the Plan by participants and/or the employer for which the Plan has no active employee direction on file.

Asset allocation investments and/or accounts (risk-based or target date-based) should be considered as the Plan's default investment strategy due to the inherent benefits these options provide to participants including the diversification of assets across multiple asset classes. The intent on selection of an asset allocation investment(s) as the default is to meet the requirements of a qualified default investment alternative (QDIA) under the terms of section 404(c)(5) of ERISA and the regulations promulgated thereunder.

In the event the Retirement Plan Committee selects a target-date asset allocation solution, a critical component is the respective glidepath which should be reviewed to make sure it is appropriate and prudent as a default, and further that it continues to be appropriate and prudent, for the Plan and Plan's participants. The following criteria should be considered in the selection, and ongoing monitoring, of a target-date asset allocation solution:

- Plan objectives, including, but not limited to; the Plan being a "supplemental" plan vs. the Company's sole retirement plan which participants are relying on to retire, the existence of additional plans (i.e., defined benefit plan, deferred compensation plan, money purchase pension plan, etc.), potentially impactful additional Plan design elements (i.e., automatic features, level of matching contributions, profit sharing contributions, etc.), whether the Plan's objectives in offering the suite have changed, whether proprietary, custom or nonproprietary solutions best meet the objectives of a prudent

number of eligible employees and whether the glidepath, equity landing point, and age 65 equity exposure, most closely meets the objectives of a prudent number of eligible employees;

- Plan demographic information, including, but not limited to: participant deferral rates, account balances and their general degree of investment knowledge (level of investment sophistication), whether a single or multiple glidepath approach would be most prudent for the demographics of the eligible employee population; and
- Participant behavior information, including, but not limited to; the level of participant involvement in the plan before and after retirement and how participants behave with investment and market risk within the plan.

Other considerations may include:

- Whether the Plan's objectives in offering the existing suite have changed;
- Whether there have been significant changes in the suite's investment strategy or management team;
- Whether the fees and expenses of the suite are reasonable given the investment management (including glidepath construction, rebalancing, etc.) involved;
- Additional information such as number, and construct, of asset classes used to promote diversification and growth potential within each investment; and
- The management style of the underlying investments be it passive, active or a core-satellite approach.

In the event the Retirement Plan Committee selects a risk-based asset allocation solution, the investment chosen as a default should be reviewed to make sure it is appropriate and prudent as a default, and further that it continues to be appropriate and prudent for the Plan and Plan's participants. The risk level is a critical component that should be reviewed and considered in the selection and ongoing monitoring of the investment. The chosen investment and its associated risk level should be suitable for the Plan and Plan's participants.

## **Part IX. RETIREMENT PLAN COMMITTEE ACTION**

An investment may be removed when the Retirement Plan Committee has lost confidence in the investment manager's ability to:

- Achieve performance, style, allocation and/or risk objectives.
- Maintain acceptable qualitative standards (e.g., stable organization, compliance guidelines).

If the investment manager has failed to adhere to and/or remedy one or both of the above conditions, the investment may be considered for removal from the Plan. The Retirement Plan Committee may also remove an investment option for any reason it deems necessary and prudent.

Any decision by the Retirement Plan Committee to remove such an investment will be made on an individual basis, and will be made based on all the known facts and circumstances, including, but not limited to:

- The objective analysis (described above)
- Administrative impact on the Plan
- Timing
- Employee communication issues
- The availability of other (potential replacement) investments
- Underwriting and Plan provider limitations
- Financial considerations (hard and soft dollar fees)
- Professional or client turnover
- A material change in the investment process
- Other relevant factors



Considerable judgment should be exercised in the Retirement Plan Committee decision-making process. The Retirement Plan Committee may administer the following approaches with an investment that fails to consistently meet criteria of this Investment Policy Statement:

- Remove and replace (map assets) with a reasonably similar alternative investment.
- Freeze the assets in the investment and direct new assets to an alternative, reasonably similar, investment.
- Phase out the investment over a specific time period.
- Remove the investment and do not provide a replacement investment and default assets into the Plan's QDIA.

Replacement of a removed investment follows the criteria outlined in Part VI (Selection of Investment Options).

#### **Part X. PARTICIPANT EDUCATION AND COMMUNICATION**

The Plan should communicate to employees that they can direct their own investments and investment changes. Investment communications materials, educational materials and enrollment support should be available to help Plan participants make educated and informed choices, and may include:

1. Periodic enrollment and investment education, through one or more of the following: on-site meetings, phone conference, web conference, Internet, phone (voice-response and live representatives) or written materials;
2. ERISA Section 404(c) disclosure;
3. Summary plan description made available to all participants;
4. General information regarding investment risk, inflation, potential taxation impact, investment earnings and asset classes;
5. Other investment tools (e.g., investment risk profile questionnaire) to assist participants and beneficiaries in making educated and informed investment decisions; and
6. All additional information required for disclosure by ERISA, the Internal Revenue Code of 1986, and all other Federal and state statutes and all regulations promulgated hereunder, and all regulatory guidance provided thereto.

Notwithstanding the foregoing, all investment education provided by the Plan and/or Retirement Plan Committee, and all communications connected thereto, is not intended, nor shall it be construed, as investment advice to Plan participants.

#### **Part XI. COORDINATION WITH THE PLAN DOCUMENT AND APPLICABLE LAWS**

Notwithstanding the foregoing, if any term or condition of this Investment Policy Statement conflicts with any section of ERISA or the Internal Revenue Code, or regulations promulgated hereunder, or any term or condition in the Plan document, the terms and conditions of ERISA, the Internal Revenue Code and the Plan document shall control.

#### **Part XII. ERISA 404(c)**

The Company and the Retirement Plan Committee intend for the Plan to comply with ERISA Section 404(c) and the regulations promulgated thereunder. Each participant/beneficiary is provided the opportunity to exercise control and to give instructions over his/her account with a frequency that is appropriate for each investment option and, finally, to choose from a broad range of investment options. Plan fiduciaries are thus



relieved from liability for investment performance directly resulting from investment decisions made by Plan participants.

The intention to comply with ERISA Section 404(c), and the regulations promulgated hereunder, should be communicated to employees in writing.

### **Part XIII. INVESTMENT INFORMATION AND ADMINISTRATIVE SUPPORT**

The Retirement Plan Committee should require the investment manager and/or service provider (administrator, recordkeeper) to offer the following administrative information and support, competitive to that provided by other investment managers and/or service providers as it deems appropriate, which may include:

1. Daily valuation of all investments;
2. Daily access to account information via toll-free number and Internet access;
3. The ability to make investment transfers for both existing and future individual account balances on a daily basis (nonbusiness days and holidays excluded). Certain trading practices may be limited to comply with market timing, excess trading, liquidity driven and/or related policies and procedures of the service provider and/or specific investment options;
4. Participant account investment reports produced no less frequently than annually, with similar information available via the Internet at least quarterly; and
5. Quarterly investment performance updates available for participant review via the Internet.

### **Part XIV. REVIEW PROCEDURES**

This Investment Policy Statement will be periodically reviewed and may be amended, if appropriate, at any time and without notice, by action of the Retirement Plan Committee.

It is not expected that this Investment Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require amendments to this Investment Policy Statement.

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Justin Anderson - Signature	Date
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Erneshia Calvin - Signature	Date
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David LaViscount - Signature	Date
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**ADDENDUM TO PART VII: INVESTMENT MONITORING AND REPORTING****Scorecard System Methodology™**

The **Scorecard System Methodology** incorporates both quantitative and qualitative factors in evaluating fund managers and their investment strategies. The **Scorecard System** is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best) and has the ability to measure active, passive and asset allocation investing strategies. Active and asset allocation strategies are evaluated over a five-year time period, and passive strategies are evaluated over a three-year time period.

Eighty percent of the fund's score is quantitative (made up of eight unique factors), incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). The other 20 percent of the score is qualitative, taking into account things such as manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics (statistical significance). Other criteria that may be considered in the qualitative score includes the viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy. The following pages detail the specific factors for each type of investing strategies.

Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into a plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table below. The Scorecard Point System is meant to be used in conjunction with our sample Investment Policy Statement, in order to help identify what strategies need to be discussed as a "watch-list" or removal candidate; what strategies continue to meet some minimum standards and continue to be appropriate; and/or identify new top-ranked strategies for inclusion into a plan.

<b><i>Scorecard Point System</i></b>	
<b>Good:</b>	<b>9-10 Points</b>
<b>Acceptable:</b>	<b>7-8 Points</b>
<b>Watch:</b>	<b>5-6 Points</b>
<b>Poor:</b>	<b>0-4 Points</b>

**Scorecard System Methodology™**  
*Asset Allocation Strategies*

**Asset allocation strategies** are investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are typically structured in either a risk-based format (the strategies are managed to a level of risk, e.g., conservative or aggressive) or, in an age-based format (these strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached). For this type of investment strategy, the **Scorecard System** is focused on how well these managers can add value from both asset allocation and manager selection.

*Multisector Bond (MSB) asset class* follows the same evaluation criteria with some slightly different tolerance levels where noted. These managers are also evaluated on both their asset allocation and security selection.

Weightings	Asset Allocation Strategies	Maximum Points
<b>Style Factors</b> 30%	<b>Risk Level:</b> The fund's standard deviation is measured against the category it is being analyzed in. The fund passes if it falls within the range for that category.	1
	<b>Style Diversity:</b> Fund passes if it reflects appropriate style diversity (returns-based) among the four major asset classes (Cash, Fixed Income, U.S. & International Equity) for the given category. <i>MSB</i> funds pass if reflect some level of diversity among fixed income asset classes (Cash, U.S. Fixed Income, Non-U.S. Fixed Income and High Yield/Emerging Markets).	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 90 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
<b>Risk/Return Factors</b> 30%	<b>Risk/Return:</b> Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	<b>Up/Down Capture Analysis:</b> Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	<b>Information Ratio:</b> Measures a fund's relative risk and return. Fund passes if ratio is greater than 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
<b>Peer Group Rankings</b> 20%	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile.	1
	<b>Sharpe Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile. This ranking ranks risk-adjusted excess return.	1
<b>Qualitative Factors</b> 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2
<b>Total</b>		<b>10</b>

## Scorecard System Methodology™

## Active Strategies

**Active strategies** are investment strategies where the fund manager is trying to add value and outperform the market averages (for that style of investing). Typically, these investment strategies have higher associated fees due to the active involvement in the portfolio management process by the fund manager(s). For this type of investment strategy, the **Scorecard System** is trying to identify those managers who can add value on a consistent basis within their own style of investing.

Weightings	Active Strategies	Maximum Points
Style Factors 30%	<b>Style Analysis:</b> Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the Plan.	1
	<b>Style Drift:</b> Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 80 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
Risk/Return Factors 30%	<b>Risk/Return:</b> Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	<b>Up/Down Capture Analysis:</b> Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	<b>Information Ratio:</b> Measures a fund's relative risk and return. Fund passes if ratio is greater than 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
Peer Group Rankings 20%	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile.	1
	<b>Information Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile. This ranking ranks risk-adjusted excess return.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2
Total		10

# Scorecard System Methodology™

## Passive Strategies

**Passive strategies** are investment strategies where the fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager is trying to track/replicate the entire U.S. equity market like the S&P 500) or may be more specific to a particular area of the market (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower fees than active investment strategies due to their passive nature of investing and are commonly referred to as index funds. For this type of investment strategy, the **Scorecard System** is focused on how well these managers track and/or replicate a particular area of the market with an emphasis on how they compare against their peers.

Weightings	Passive Strategies	Maximum Points
<b>Style &amp; Tracking Factors</b> 40%	<b>Style Analysis:</b> Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the Plan.	1
	<b>Style Drift:</b> Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 95 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
	<b>Tracking Error:</b> Measures the percentage of a fund's excess return volatility relative to the benchmark. Fund passes with a tracking error less than 4. This statistic measures how well the fund tracks the benchmark.	1
<b>Peer Group Rankings</b> 40%	<b>Tracking Error Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Expense Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Sharpe Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
<b>Qualitative Factors</b> 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2
<b>Total</b>		<b>10</b>

# Manager Research Methodology

## *Beyond the Scorecard*

The **Scorecard System™** uses an institutional approach which is comprehensive, independent, and utilizes a process and methodology that strives to create successful outcomes for plan sponsors and participants. The **Scorecard** helps direct the additional research the Investment team conducts with fund managers throughout the year. Three of the primary factors that go into the fund manager research are people, process and philosophy.

PEOPLE	PROCESS	PHILOSOPHY
<p>Key Factors:</p> <ul style="list-style-type: none"> <li>• Fund manager and team experience</li> <li>• Deep institutional expertise</li> <li>• Organizational structure</li> <li>• Ability to drive the process and performance</li> </ul>	<p>Key Factors:</p> <ul style="list-style-type: none"> <li>• Clearly defined</li> <li>• Consistent application</li> <li>• Sound and established</li> <li>• Clearly communicated</li> <li>• Successfully executed process</li> </ul>	<p>Key Factors:</p> <ul style="list-style-type: none"> <li>• Research and ideas must be coherent and persuasive</li> <li>• Strong rationale</li> <li>• Logical and compelling</li> <li>• Focus on identifying skillful managers</li> </ul>

# Scorecard System Disclosures

Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class.

All definitions are typical category representations. The specific share classes or accounts identified above may not be available or chosen by the Plan. Share class and account availability is unique to the client's specific circumstances. There may be multiple share classes or accounts available to the client from which to choose. All recommendations are subject to vendor/provider approval before implementation into the Plan. The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted.

Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as *Markov Processes International*, *Morningstar*, firms who manage the investments, and/or the retirement plan providers who offer the funds.

Every reasonable effort has been made to ensure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by your advisor in preparing this report.

The enclosed Investment Due Diligence report, including the **Scorecard System**, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.

The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the Plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.

Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard™ factors.

Neither past performance nor statistics calculated using past performance are guarantees of a fund's future performance. Likewise, a fund's score using the **Scorecard System™** does not guarantee the future performance or style consistency of a fund.

This report was prepared with the belief that this information is relevant to the Plan sponsor as the Plan sponsor makes investment selections.

Fund selection is at the discretion of the investment fiduciaries, which are either the Plan sponsor or the Retirement Plan Committee appointed to perform that function.

Cash Equivalents (e.g., money market fund) and some specialty funds are not scored by the **Scorecard System**.

The enclosed Investment Due Diligence report and Scorecard™ is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.

For the most current month-end performance, please contact your advisor.

The Strategy Review notes section is for informational purposes only. The views expressed here are those of your advisor and do not constitute an offer to sell an investment. An offer to sell may be made only after the client has received and read the appropriate prospectus.

**Carefully consider the investment objectives, risk factors and charges and expenses of the investment company before investing. This and other information can be found in the fund's prospectus, which may be obtained by contacting your Investment Advisor/Consultant or Vendor/Provider. Read the prospectus carefully before investing.**

**For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant or Vendor/Provider.**

Securities may be offered through Kestra Investment Services, LLC (Kestra IS), Member FINRA/SIPC. Investment Advisory Services may be offered through NFP Retirement, Inc. Kestra IS is not affiliated with NFP Retirement, Inc., a subsidiary of NFP. NFPR-2014-178 ACR#201700 08/16

# Coversheet

## Form 990

<b>Section:</b>	III. Other Business
<b>Item:</b>	D. Form 990
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	
<b>Related Material:</b>	Draft Form 990-Audubon (1) 2018.pdf



**Caution:** Forms printed from within Adobe Acrobat may not meet IRS or state taxing agency specifications. When using Acrobat, select the "Actual Size" in the Adobe "Print" dialog.

CLIENT'S COPY

DRAFT

LAPORTE CPAS & BUSINESS ADVISORS  
5100 VILLAGE WALK, SUITE 300  
COVINGTON, LA 70433

MAY 12, 2020

FRENCH AND MONTESSORI EDUCATION INC.  
DBA AUDUBON CHARTER SCHOOL  
428 BROADWAY STREET  
NEW ORLEANS, LA 70118  
ATTENTION: JUSTIN ANDERSON

DEAR JUSTIN,

ENCLOSED IS THE ORGANIZATION'S 2018 EXEMPT ORGANIZATION  
RETURN.

SPECIFIC FILING INSTRUCTIONS ARE AS FOLLOWS.

FORM 990 RETURN:

THIS RETURN HAS BEEN PREPARED FOR ELECTRONIC FILING. IF YOU  
WISH TO HAVE IT TRANSMITTED ELECTRONICALLY TO THE IRS, PLEASE  
SIGN, DATE, AND RETURN FORM 8879-EO TO OUR OFFICE. WE WILL  
THEN SUBMIT THE ELECTRONIC RETURN TO THE IRS. DO NOT MAIL A  
PAPER COPY OF THE RETURN TO THE IRS.

PLEASE REVIEW THE RETURN FOR COMPLETENESS AND ACCURACY.

WE SINCERELY APPRECIATE THE OPPORTUNITY TO SERVE YOU. PLEASE  
CONTACT US IF YOU HAVE ANY QUESTIONS CONCERNING THE TAX  
RETURN.

A COPY OF THE RETURN IS ENCLOSED FOR YOUR FILES. WE SUGGEST  
THAT YOU RETAIN THIS COPY INDEFINITELY.

SINCERELY,

CODY GUTTIERREZ, CPA  
SENIOR MANAGER

**TAX RETURN FILING INSTRUCTIONS**

FORM 990

**FOR THE YEAR ENDING****JUNE 30, 2019**

<b>Prepared for</b>	FRENCH AND MONTESSORI EDUCATION INC. DBA AUDUBON CHARTER SCHOOL 428 BROADWAY STREET NEW ORLEANS, LA 70118
<b>Prepared by</b>	LAPORTE, APAC 5100 VILLAGE WALK, SUITE 300 COVINGTON, LA 70433
<b>Amount due or refund</b>	NOT APPLICABLE
<b>Make check payable to</b>	NOT APPLICABLE
<b>Mail tax return and check (if applicable) to</b>	NOT APPLICABLE
<b>Return must be mailed on or before</b>	NOT APPLICABLE
<b>Special Instructions</b>	THIS RETURN HAS BEEN PREPARED FOR ELECTRONIC FILING. IF YOU WISH TO HAVE IT TRANSMITTED ELECTRONICALLY TO THE IRS, PLEASE SIGN, DATE, AND RETURN FORM 8879-EO TO OUR OFFICE. WE WILL THEN SUBMIT THE ELECTRONIC RETURN TO THE IRS. DO NOT MAIL A PAPER COPY OF THE RETURN TO THE IRS.

Form **8879-EO****IRS e-file Signature Authorization  
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2018, or fiscal year beginning JUL 1, 2018, and ending JUN 30, 2019**2018**Department of the Treasury  
Internal Revenue Service▶ **Do not send to the IRS. Keep for your records.**▶ **Go to [www.irs.gov/Form8879EO](http://www.irs.gov/Form8879EO) for the latest information.**

Name of exempt organization

**FRENCH AND MONTESSORI EDUCATION INC.  
DBA AUDUBON CHARTER SCHOOL**

Employer identification number

**\*\* - \*\*\*4026**

Name and title of officer

**JAVIER JALICE  
BOARD CHAIR****Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

<b>1a</b> Form 990 check here ▶ <input checked="" type="checkbox"/>	<b>b Total revenue</b> , if any (Form 990, Part VIII, column (A), line 12) .....	<b>1b</b> <u>11,427,567.</u>
<b>2a</b> Form 990-EZ check here ▶ <input type="checkbox"/>	<b>b Total revenue</b> , if any (Form 990-EZ, line 9) .....	<b>2b</b> _____
<b>3a</b> Form 1120-POL check here ▶ <input type="checkbox"/>	<b>b Total tax</b> (Form 1120-POL, line 22) .....	<b>3b</b> _____
<b>4a</b> Form 990-PF check here ▶ <input type="checkbox"/>	<b>b Tax based on investment income</b> (Form 990-PF, Part VI, line 5) .....	<b>4b</b> _____
<b>5a</b> Form 8868 check here ▶ <input type="checkbox"/>	<b>b Balance Due</b> (Form 8868, line 3c) .....	<b>5b</b> _____

**Part II Declaration and Signature Authorization of Officer**

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2018 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize LAPORTE, APAC

ERO firm name

to enter my PIN 00854Enter five numbers, but  
do not enter all zeros

as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**Part III Certification and Authentication**

**ERO's EFIN/PIN.** Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

72583970005

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2018 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**ERO Must Retain This Form - See Instructions**  
**Do Not Submit This Form to the IRS Unless Requested To Do So**

LHA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2018)

823051 10-26-18

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Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2018**Open to Public  
Inspection

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**A** For the 2018 calendar year, or tax year beginning **JUL 1, 2018** and ending **JUN 30, 2019**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>FRENCH AND MONTESSORI EDUCATION INC. DBA AUDUBON CHARTER SCHOOL</b>		<b>D</b> Employer identification number <b>** - ***4026</b>
	Doing business as		<b>E</b> Telephone number <b>(504) 324-7103</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	<b>428 BROADWAY STREET</b>		<b>G</b> Gross receipts \$ <b>11,797,502.</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>NEW ORLEANS, LA 70118</b>		
<b>F</b> Name and address of principal officer: <b>JAVIER JALICE SAME AS C ABOVE</b>		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: ▶ <b>WWW.AUDUBONCHARTER.COM</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation: <b>2005</b> <b>M</b> State of legal domicile: <b>LA</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>SCHOOL PROVIDING MONTESSORI AND FRENCH EDUCATION FOR STUDENTS IN GRADES PRE-KINDERGARTEN THROUGH 8TH</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>13</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>13</b>
	<b>5</b> Total number of individuals employed in calendar year 2018 (Part V, line 2a)	<b>5</b>	<b>231</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>500</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 38	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b> <b>11,016,460.</b>	<b>Current Year</b> <b>10,567,440.</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>557,857.</b>	<b>739,796.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>132,459.</b>	<b>85,672.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>18,095.</b>	<b>34,659.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>11,724,871.</b>	<b>11,427,567.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>	<b>0.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>8,263,536.</b>	<b>10,356,453.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>2,549,751.</b>	<b>2,986,032.</b>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>10,813,287.</b>	<b>13,342,485.</b>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>911,584.</b>	<b>-1,914,918.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b> <b>6,794,725.</b>	<b>End of Year</b> <b>5,747,953.</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>255,004.</b>	<b>1,133,878.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>6,539,721.</b>	<b>4,614,075.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer		Date
	<b>JAVIER JALICE, BOARD CHAIR</b> Type or print name and title		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>STEVEN C. GUTTIERREZ, CPA</b>	Preparer's signature	Date
	Firm's name ▶ <b>LAPORTE, APAC</b>	Firm's EIN ▶ <b>** - ***8864</b>	Check if self-employed <input type="checkbox"/> PTIN <b>P01467416</b>
	Firm's address ▶ <b>5100 VILLAGE WALK, SUITE 300 COVINGTON, LA 70433</b>	Phone no. <b>985-892-5850</b>	

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

**FRENCH AND MONTESSORI EDUCATION INC.****DBA AUDUBON CHARTER SCHOOL****\*\* - \*\*\*4026** Page **2**

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**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

**AUDUBON CHARTER SCHOOL IS DEDICATED TO THE DEVELOPMENT OF CREATIVE, CONSTRUCTIVE AND DISCIPLINED LEARNERS. THIS OBJECTIVE IS ACHIEVED THROUGH UNIQUELY INNOVATIVE EDUCATIONAL PROGRAMS.**

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code: ) (Expenses \$ **12,052,659.** including grants of \$ ) (Revenue \$ **742,940.** )

**WITH ITS MONTESSORI AND FRENCH PROGRAMS, AUDUBON CHARTER SCHOOL HAS CREATED AN ADVANCED LEARNING ENVIRONMENT DRIVEN BY CURRICULA DESIGNED TO DRAW HIGHLY-MOTIVATED, HIGH-ACHIEVING STUDENTS. AUDUBON CHARTER SCHOOL TEACHES PRE-KINDERGARTEN THROUGH 8TH GRADE. 1020 STUDENTS ATTENDED DURING THE 2018 - 2019 SCHOOL YEAR.**

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4d** Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses **12,052,659.**Form **990** (2018)

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**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	X	
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X



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**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	



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**Part V** Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return .....	<b>2a</b> 231		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? .....	<b>2b</b>	X	
<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) .....			
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year? .....	<b>3a</b>		X
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O .....	<b>3b</b>		
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? .....	<b>4a</b>		X
<b>b</b> If "Yes," enter the name of the foreign country: ▶ .....			
See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? .....	<b>5a</b>		X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? .....	<b>5b</b>		X
<b>c</b> If "Yes" to line 5a or 5b, did the organization file Form 8886-T? .....	<b>5c</b>		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? .....	<b>6a</b>		X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? .....	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? .....	<b>7a</b>		X
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided? .....	<b>7b</b>		
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? .....	<b>7c</b>		X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year .....	<b>7d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? .....	<b>7e</b>		X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? .....	<b>7f</b>		X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? .....	<b>7g</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? .....	<b>7h</b>		
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? .....	<b>8</b>		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the sponsoring organization make any taxable distributions under section 4966? .....	<b>9a</b>		
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? .....	<b>9b</b>		
<b>10 Section 501(c)(7) organizations.</b> Enter:			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12 .....	<b>10a</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities .....	<b>10b</b>		
<b>11 Section 501(c)(12) organizations.</b> Enter:			
<b>a</b> Gross income from members or shareholders .....	<b>11a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) .....	<b>11b</b>		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? .....	<b>12a</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year .....	<b>12b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? .....	<b>13a</b>		
<b>Note.</b> See the instructions for additional information the organization must report on Schedule O.			
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans .....	<b>13b</b>		
<b>c</b> Enter the amount of reserves on hand .....	<b>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year? .....	<b>14a</b>		X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O .....	<b>14b</b>		
<b>15</b> Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? .....	<b>15</b>		X
If "Yes," see instructions and file Form 4720, Schedule N.			
<b>16</b> Is the organization an educational institution subject to the section 4968 excise tax on net investment income? .....	<b>16</b>		X
If "Yes," complete Form 4720, Schedule O.			

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**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

☒**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year ..... <b>1a</b> 13 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent ..... <b>1b</b> 13		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? ..... <b>2</b>		<b>X</b>
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? ..... <b>3</b>		<b>X</b>
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? ..... <b>4</b>		<b>X</b>
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? ..... <b>5</b>		<b>X</b>
<b>6</b> Did the organization have members or stockholders? ..... <b>6</b>		<b>X</b>
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? ..... <b>7a</b>		<b>X</b>
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? ..... <b>7b</b>		<b>X</b>
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body? ..... <b>8a</b>	<b>X</b>	
<b>b</b> Each committee with authority to act on behalf of the governing body? ..... <b>8b</b>	<b>X</b>	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O ..... <b>9</b>		<b>X</b>

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? ..... <b>10a</b>		<b>X</b>
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? ..... <b>10b</b>		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? ..... <b>11a</b>	<b>X</b>	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 ..... <b>12a</b>	<b>X</b>	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? ..... <b>12b</b>	<b>X</b>	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done ..... <b>12c</b>	<b>X</b>	
<b>13</b> Did the organization have a written whistleblower policy? ..... <b>13</b>	<b>X</b>	
<b>14</b> Did the organization have a written document retention and destruction policy? ..... <b>14</b>	<b>X</b>	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official ..... <b>15a</b>	<b>X</b>	
<b>b</b> Other officers or key employees of the organization ..... <b>15b</b>	<b>X</b>	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? ..... <b>16a</b>		<b>X</b>
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? ..... <b>16b</b>		

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ► **NONE**

**18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☒ Own website    ☐ Another's website    ☒ Upon request    ☐ Other (explain in Schedule O)

**19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, address, and telephone number of the person who possesses the organization's books and records ►  
**JUSTIN C. ANDERSON - (504) 274-1952**  
**428 BROADWAY STREET, NEW ORLEANS, LA 70118**

## FRENCH AND MONTESSORI EDUCATION INC.

DBA AUDUBON CHARTER SCHOOL

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Form 990 (2018)

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JAVIER JALICE CHAIRPERSON	0.50	X		X				0.	0.	0.
(2) BRENDAN CONNICK VICE-CHAIRPERSON	0.50	X		X				0.	0.	0.
(3) CALVIN TREGRE TREASURER	0.50	X		X				0.	0.	0.
(4) DORCAS OMAJOLA SECRETARY	0.50	X		X				0.	0.	0.
(5) DANIEL HELD MEMBER	0.50	X						0.	0.	0.
(6) DEREK BARDELL MEMBER	0.50	X						0.	0.	0.
(7) MELISSA RUSSELL MEMBER	0.50	X						0.	0.	0.
(8) RACHEL VAN VORHEES KIRSCHMAN MEMBER	0.50	X						0.	0.	0.
(9) RAMONA FERNANDEZ MEMBER	0.50	X						0.	0.	0.
(10) CLAIR LEBAS MEMBER	0.50	X						0.	0.	0.
(11) LOURDES MORAN MEMBER	0.50	X						0.	0.	0.
(12) THOMAS LASHER MEMBER	0.50	X						0.	0.	0.
(13) VINCENT SCIAMA MEMBER	0.50	X						0.	0.	0.
(14) LATOYE BROWN CEO	50.00			X				111,335.	0.	30,073.
(15) JUSTIN ANDERSON DIRECTOR OF FINANCE	50.00			X				75,003.	0.	20,679.



## FRENCH AND MONTESSORI EDUCATION INC.

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**Part VIII Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>					
	<b>e</b> Government grants (contributions) .....	<b>1e</b>	10,414,570.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>	152,870.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....						
	<b>h Total.</b> Add lines 1a-1f .....		10,567,440.				
<b>Program Service Revenue</b>	<b>2 a</b> STUDENT ACTIVITY PROGRAMS .....	<b>Business Code</b>	611710	371,166.	371,166.		
	<b>b</b> TUITION REVENUE .....		611710	204,481.	204,481.		
	<b>c</b> AFTER SCHOOL CARE .....		611710	101,583.	101,583.		
	<b>d</b> SCHOOL FOOD PROGRAM .....		611710	62,566.	62,566.		
	<b>e</b> .....						
	<b>f</b> All other program service revenue .....						
	<b>g Total.</b> Add lines 2a-2f .....		739,796.				
	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....			40,254.			40,254.
<b>4</b> Income from investment of tax-exempt bond proceeds .....							
<b>5</b> Royalties .....							
<b>Other Revenue</b>	<b>6 a</b> Gross rents .....	(i) Real	(ii) Personal				
	<b>b</b> Less: rental expenses .....						
	<b>c</b> Rental income or (loss) .....						
	<b>d</b> Net rental income or (loss) .....						
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities	(ii) Other				
	<b>b</b> Less: cost or other basis and sales expenses .....						
	<b>c</b> Gain or (loss) .....						
	<b>d</b> Net gain or (loss) .....			45,418.			45,418.
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>	50,430.				
	<b>b</b> Less: direct expenses .....	<b>b</b>	18,915.				
	<b>c</b> Net income or (loss) from fundraising events .....			31,515.			31,515.
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>					
	<b>b</b> Less: direct expenses .....	<b>b</b>					
	<b>c</b> Net income or (loss) from gaming activities .....						
	<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>					
	<b>b</b> Less: cost of goods sold .....	<b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory .....						
	<b>Miscellaneous Revenue</b>			<b>Business Code</b>			
<b>11 a</b> MISCELLANEOUS .....		611710	3,144.	3,144.			
<b>b</b> .....							
<b>c</b> .....							
<b>d</b> All other revenue .....							
<b>e Total.</b> Add lines 11a-11d .....			3,144.				
<b>12 Total revenue.</b> See instructions .....			11,427,567.	742,940.	0.	117,187.	



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**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>				
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	258,870.	105,822.	153,048.	
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	7,703,503.	7,158,679.	544,824.	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,560,134.	1,462,954.	97,180.	
<b>9</b> Other employee benefits	505,930.	475,585.	30,345.	
<b>10</b> Payroll taxes	328,016.	309,854.	18,162.	
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management				
<b>b</b> Legal				
<b>c</b> Accounting	26,250.		26,250.	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,302,509.	981,206.	321,303.	
<b>12</b> Advertising and promotion	2,023.	2,023.		
<b>13</b> Office expenses	89,544.	68,496.	21,048.	
<b>14</b> Information technology				
<b>15</b> Royalties				
<b>16</b> Occupancy	168,074.	168,074.		
<b>17</b> Travel	268,275.	268,275.		
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest	2,120.	986.	1,134.	
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	166,954.	166,954.		
<b>23</b> Insurance	166,299.	162,873.	3,426.	
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> EDUCATIONAL SUPPLIES AND	478,766.	407,180.	71,586.	
<b>b</b> REPAIRS AND MAINTENANCE	264,528.	264,528.		
<b>c</b> DUES AND FEES	48,386.	48,316.	70.	
<b>d</b> MISCELLANEOUS	2,244.	794.	1,450.	
<b>e</b> All other expenses	60.	60.		
<b>25</b> Total functional expenses. Add lines 1 through 24e	13,342,485.	12,052,659.	1,289,826.	0.
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

## FRENCH AND MONTESSORI EDUCATION INC.

DBA AUDUBON CHARTER SCHOOL

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Form 990 (2018)

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	2,152,955.	<b>1</b>	300,138.
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net .....	341,902.	<b>3</b>	900,281.
	<b>4</b> Accounts receivable, net .....	851,198.	<b>4</b>	4,913.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	115,209.	<b>9</b>	35,744.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 4,246,328.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 660,530.	<b>10c</b>	3,585,798.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	1,397,477.	<b>12</b>	921,079.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....		<b>15</b>	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	6,794,725.	<b>16</b>	5,747,953.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	160,663.	<b>17</b>	776,841.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....	94,341.	<b>19</b>	102,037.
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	0.	<b>25</b>	255,000.
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	255,004.	<b>26</b>	1,133,878.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	5,797,969.	<b>27</b>	4,272,173.
	<b>28</b> Temporarily restricted net assets .....	741,752.	<b>28</b>	341,902.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
	<b>33</b> <b>Total net assets or fund balances</b> .....	6,539,721.	<b>33</b>	4,614,075.
	<b>34</b> <b>Total liabilities and net assets/fund balances</b> .....	6,794,725.	<b>34</b>	5,747,953.

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**FRENCH AND MONTESSORI EDUCATION INC.****DBA AUDUBON CHARTER SCHOOL**

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**\*\* - \*\*\*4026** Page **12****Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	11,427,567.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	13,342,485.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	-1,914,918.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	6,539,721.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-10,728.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	4,614,075.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<b>2a</b>	<b>X</b>
<b>b</b> Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<b>2b</b>	<b>X</b>
<b>c</b> If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	<b>2c</b>	<b>X</b>
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____	<b>3a</b>	<b>X</b>
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____	<b>3b</b>	<b>X</b>

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## FRENCH AND MONTESSORI EDUCATION INC.

Schedule A (Form 990 or 990-EZ) 2018 DBA AUDUBON CHARTER SCHOOL

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**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on ...						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2017 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2018.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2017.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2018.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2017.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2018

## FRENCH AND MONTESSORI EDUCATION INC.

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**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ..... ☐

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2017 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2017 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2018.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ..... ☐

**b 33 1/3% support tests - 2017.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ..... ☐

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ..... ☐

## FRENCH AND MONTESSORI EDUCATION INC.

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**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in <b>Part VI</b> when and how the organization made the determination.		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in <b>Part VI</b> what controls the organization put in place to ensure such use.		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in <b>Part VI</b> how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in <b>Part VI</b> , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).		
<b>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in <b>Part VI</b> .		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in <b>Part VI</b> .		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in <b>Part VI</b> .		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in <b>Part VI</b> .		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer 10b below.		
<b>b</b> Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

## FRENCH AND MONTESSORI EDUCATION INC.

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**Part IV** Supporting Organizations (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>11a</b>		
<b>b</b> A family member of a person described in (a) above?		
<b>11b</b>		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in <b>Part VI</b> .		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in <b>Part VI</b> how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
<b>1</b>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
<b>1</b>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>1</b>		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>2</b>		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.		
<b>3</b>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).			
<b>2</b> Activities Test. Answer (a) and (b) below.			
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in <b>Part VI</b> identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	Yes	No	
<b>2a</b>			
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
<b>2b</b>			
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.			
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in <b>Part VI</b> .			
<b>3a</b>			
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in <b>Part VI</b> the role played by the organization in this regard.			
<b>3b</b>			



## FRENCH AND MONTESSORI EDUCATION INC.

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**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

  

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

  

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2018

## FRENCH AND MONTESSORI EDUCATION INC.

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**Part V** Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7</b> <b>Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2018 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
<b>1</b> Distributable amount for 2018 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2018			
<b>a</b> From 2013			
<b>b</b> From 2014			
<b>c</b> From 2015			
<b>d</b> From 2016			
<b>e</b> From 2017			
<b>f</b> <b>Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2018 distributable amount			
<b>i</b> Carryover from 2013 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2018 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2018 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7</b> <b>Excess distributions carryover to 2019.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2014			
<b>b</b> Excess from 2015			
<b>c</b> Excess from 2016			
<b>d</b> Excess from 2017			
<b>e</b> Excess from 2018			

Schedule A (Form 990 or 990-EZ) 2018

**FRENCH AND MONTESSORI EDUCATION INC.**

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**Part VI** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.  
(See instructions.)

DRAFT



**Schedule B**(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**

- Attach to Form 990, Form 990-EZ, or Form 990-PF.  
► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2018**

Name of the organization

FRENCH AND MONTESSORI EDUCATION INC.  
DBA AUDUBON CHARTER SCHOOL

Employer identification number

\*\*-\*\*\*4026

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)( 3 ) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ► \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

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Name of organization <b>FRENCH AND MONTESSORI EDUCATION INC. DBA AUDUBON CHARTER SCHOOL</b>	Employer identification number <b>** - ***4026</b>
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	FRIENDS OF AUDUBON PTO 428 BROADWAY ST. NEW ORLEANS, LA 70118	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	PRO BONO PUBLICO FOUNDATION P.O. BOX 531024 NEW ORLEANS, LA 70153	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	KELLER FAMILY FOUNDATION 1100 POYDRAS STREET, SUITE 1502 NEW ORLEANS, LA 70163	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	ROSAMARY FOUNDATION, C/O CRESCENT CAPITAL CONSULTING, LLC 1100 POYDRAS STREET, SUITE 1502 NEW ORLEANS, LA 70163	\$ 35,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	NEW SCHOOLS NEW ORLEANS 1555 POYDRAS STREET NEW ORLEANS, LA 70112	\$ 18,030.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	ALAN MELTZER 6500 ROCK SPRINGS DR. STE 500 BETHESDA, MD 20817	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

823452 11-08-18

Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

Name of organization

FRENCH AND MONTESSORI EDUCATION INC.  
DBA AUDUBON CHARTER SCHOOL

Employer identification number

\*\*-\*\*\*4026

**Part II**    **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

[illegible]

Schedule B (Form 990, 990-EZ, or 990-PF) (2018)

Page **4**

Name of organization

**FRENCH AND MONTESSORI EDUCATION INC.**  
**DBA AUDUBON CHARTER SCHOOL**

Employer identification number

\*\* - \*\*\*4026

**Part III**

Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

**SCHEDULE D**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**▶ **Attach to Form 990.**▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2018****Open to Public Inspection****Name of the organization** FRENCH AND MONTESSORI EDUCATION INC.  
DBA AUDUBON CHARTER SCHOOL**Employer identification number**  
\*\*-\*\*\*4026**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of a historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ..... ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ..... ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ..... ▶ \$ .....

(ii) Assets included in Form 990, Part X ..... ▶ \$ .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ..... ▶ \$ .....

b Assets included in Form 990, Part X ..... ▶ \$ .....

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2018

832051 10-29-18

## FRENCH AND MONTESSORI EDUCATION INC.

DBA AUDUBON CHARTER SCHOOL

\*\*-\*\*\*4026 Page 2

Schedule D (Form 990) 2018

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibitiond ☐ Loan or exchange programsb ☐ Scholarly researche ☐ Other \_\_\_\_\_c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
1c	
1d	
1e	
1f	

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ☐ %b Permanent endowment ☐ %c Temporarily restricted endowment ☐ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		3,646,980.	200,630.	3,446,350.
d Equipment		599,348.	459,900.	139,448.
e Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				3,585,798.

Schedule D (Form 990) 2018

**FRENCH AND MONTESSORI EDUCATION INC.****DBA AUDUBON CHARTER SCHOOL**

Schedule D (Form 990) 2018

**\*\* - \*\*\*4026** Page **3****Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other		
(A) <b>BLACKROCK INVESTMENTS</b>	<b>921,078.</b>	<b>END-OF-YEAR MARKET VALUE</b>
(B) <b>FIRST NBC CDARS</b>	<b>1.</b>	<b>END-OF-YEAR MARKET VALUE</b>
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	<b>921,079.</b>	

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) <b>LINE OF CREDIT</b>	<b>255,000.</b>	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	<b>255,000.</b>	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

**Schedule D (Form 990) 2018**



## FRENCH AND MONTESSORI EDUCATION INC.

Schedule D (Form 990) 2018

DBA AUDUBON CHARTER SCHOOL

\*\*-\*\*\*4026 Page 4

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	11,564,754.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	-10,728.
b	Donated services and use of facilities	2b	129,000.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	118,272.
3	Subtract line 2e from line 1	3	11,446,482.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	-18,915.
c	Add lines 4a and 4b	4c	-18,915.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	11,427,567.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	13,490,400.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	129,000.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	18,915.
e	Add lines 2a through 2d	2e	147,915.
3	Subtract line 2e from line 1	3	13,342,485.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	13,342,485.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2:**

THE ORGANIZATION IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS A SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. HOWEVER, INCOME FROM CERTAIN ACTIVITIES NOT DIRECTLY RELATED TO THE SCHOOL'S TAX-EXEMPT PURPOSE IS SUBJECT TO TAXATION AS UNRELATED BUSINESS INCOME.

ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA PROVIDE ACCOUNTING AND DISCLOSURE GUIDANCE ABOUT POSITIONS TAKEN BY AN ENTITY IN ITS TAX RETURNS THAT MIGHT BE UNCERTAIN. THE ORGANIZATION BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN, AND MANAGEMENT HAS DETERMINED THAT THERE ARE NO UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS.



## FRENCH AND MONTESSORI EDUCATION INC.

DBA AUDUBON CHARTER SCHOOL

\*\*-\*\*\*4026 Page 5

Schedule D (Form 990) 2018

**Part XIII** Supplemental Information (continued)

PENALTIES AND INTEREST ASSESSED BY INCOME TAXING AUTHORITIES, IF ANY, ARE INCLUDED IN INCOME TAX EXPENSE

## PART XI, LINE 4B - OTHER ADJUSTMENTS:

FUNDRAISING EXPENSES -18,915.

## PART XII, LINE 2D - OTHER ADJUSTMENTS:

FUNDRAISING EXPENSES 18,915.

DRAFT

**SCHEDULE E**  
**(Form 990 or 990-EZ)**Department of the Treasury  
Internal Revenue Service**Schools**▶ **Complete if the organization answered "Yes" on Form 990,  
Part IV, line 13, or Form 990-EZ, Part VI, line 48.**▶ **Attach to Form 990 or Form 990-EZ.**▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

OMB No. 1545-0047

**2018****Open to Public  
Inspection**Name of the organization **FRENCH AND MONTESSORI EDUCATION INC.  
DBA AUDUBON CHARTER SCHOOL**Employer identification number  
**\*\*-\*\*\*4026****Part I**

- 1** Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....
- 2** Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....
- 3** Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain.  
If you need more space, use Part II .....
- AUDUBON CHARTER SCHOOL HAS PUBLICIZED ITS RACIALLY  
NONDISCRIMINATORY POLICY THROUGH THE FOLLOWING MEDIUMS:  
BROCHURES AND APPLICATION FORMS SENT OUT TO SCHOOLS IN NEW  
ORLEANS AND SURROUNDING PARISHES, LOCAL NEWSPAPERS' EDUCATION  
COLUMNS, NEWSLETTERS, AND ON THE SCHOOL'S WEBSITE.**
- 4** Does the organization maintain the following?
- a** Records indicating the racial composition of the student body, faculty, and administrative staff? .....
- b** Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....
- c** Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....
- d** Copies of all material used by the organization or on its behalf to solicit contributions? .....
- If you answered "No" to any of the above, please explain. If you need more space, use Part II.
- .....
- .....
- .....
- 5** Does the organization discriminate by race in any way with respect to:
- a** Students' rights or privileges? .....
- b** Admissions policies? .....
- c** Employment of faculty or administrative staff? .....
- d** Scholarships or other financial assistance? .....
- e** Educational policies? .....
- f** Use of facilities? .....
- g** Athletic programs? .....
- h** Other extracurricular activities? .....
- If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.
- .....
- .....
- .....
- 6a** Does the organization receive any financial aid or assistance from a governmental agency? .....
- b** Has the organization's right to such aid ever been revoked or suspended? .....
- If you answered "Yes" on either line 6a or line 6b, explain on Part II.
- 7** Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II .....

	YES	NO
<b>1</b>	X	
<b>2</b>	X	
<b>3</b>	X	
<b>4a</b>	X	
<b>4b</b>	X	
<b>4c</b>	X	
<b>4d</b>	X	
<b>5a</b>		X
<b>5b</b>		X
<b>5c</b>		X
<b>5d</b>		X
<b>5e</b>		X
<b>5f</b>		X
<b>5g</b>		X
<b>5h</b>		X
<b>6a</b>	X	
<b>6b</b>		X
<b>7</b>	X	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or Form 990-EZ.

Schedule E (Form 990 or 990-EZ) 2018

## FRENCH AND MONTESSORI EDUCATION INC.

Schedule E (Form 990 or 990-EZ) 2018 DBA AUDUBON CHARTER SCHOOL

\*\*-\*\*\*4026 Page 2

**Part II Supplemental Information.** Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable.

Also provide any other additional information.

**LINE 6 - EXPLANATION OF GOVERNMENT FINANCIAL AID:**

THE SCHOOL'S PRIMARY SOURCE OF FUNDING IS THROUGH THE STATE PUBLIC SCHOOL FUND AND THE ORLEANS PARISH SCHOOL BOARD. THE SCHOOL RECEIVED \$8,723,137 FROM THE STATE AND OPSB BASED ON ELIGIBLE STUDENTS IN ATTENDANCE ON A MONTHLY BASIS. STATE AND FEDERAL GRANTS ARE ON A COST REIMBURSEMENT BASIS. AN ACCRUAL IS MADE WHEN ELIGIBLE EXPENSES ARE INCURRED. THE ORGANIZATION RECEIVED 76% OF ITS REVENUES IN THE YEAR ENDED JUNE 30, 2019, FROM THE LOUISIANA DEPARTMENT OF EDUCATION, SUBJECT TO ITS CHARTER SCHOOL CONTRACTS WITH THE ORLEANS PARISH SCHOOL BOARD, 6% FROM OTHER LOUISIANA STATE PROGRAMS, AND 9% OF ITS FUNDING FROM THE FEDERAL GOVERNMENT.



## FRENCH AND MONTESSORI EDUCATION INC.

Schedule G (Form 990 or 990-EZ) 2018 DBA AUDUBON CHARTER SCHOOL

\*\*-\*\*\*4026 Page 2

**Part II Fundraising Events.** Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		CITY PARK AMUSEMENT NIGHT	NIGHT AT THE COOL ZOO	3	
		(event type)	(event type)	(total number)	
Revenue	1 Gross receipts .....	18,130.	14,885.	17,415.	50,430.
	2 Less: Contributions .....				
	3 Gross income (line 1 minus line 2) .....	18,130.	14,885.	17,415.	50,430.
Direct Expenses	4 Cash prizes .....				
	5 Noncash prizes .....				
	6 Rent/facility costs .....	6,174.	5,236.		11,410.
	7 Food and beverages .....				
	8 Entertainment .....				
	9 Other direct expenses .....			7,505.	7,505.
	10 Direct expense summary. Add lines 4 through 9 in column (d) .....				18,915.
	11 Net income summary. Subtract line 10 from line 3, column (d) .....				31,515.

**Part III Gaming.** Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue .....				
Direct Expenses	2 Cash prizes .....				
	3 Noncash prizes .....				
	4 Rent/facility costs .....				
	5 Other direct expenses .....				
	6 Volunteer labor .....	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) .....				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) .....				

9 Enter the state(s) in which the organization conducts gaming activities: \_\_\_\_\_

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: \_\_\_\_\_

**FRENCH AND MONTESSORI EDUCATION INC.**Schedule G (Form 990 or 990-EZ) 2018 **DBA AUDUBON CHARTER SCHOOL****\*\* - \*\*\*4026** Page **3**

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity conducted in:
- |                                      |            |   |
|--------------------------------------|------------|---|
| <b>a</b> The organization's facility | <b>13a</b> | % |
| <b>b</b> An outside facility         | <b>13b</b> | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

**b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_

**c** If "Yes," enter name and address of the third party:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 16** Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

☐ Director/officer ☐ Employee ☐ Independent contractor

- 17** Mandatory distributions:

**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

**b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**Part IV Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

FRENCH AND MONTESSORI EDUCATION INC.

Schedule G (Form 990 or 990-EZ)

DBA AUDUBON CHARTER SCHOOL

\*\* - \*\*\*4026 Page 4

**Part IV** Supplemental Information (continued)

DRAFT

**SCHEDULE O**  
**(Form 990 or 990-EZ)**Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2018**Open to Public  
Inspection

Name of the organization

FRENCH AND MONTESSORI EDUCATION INC.  
DBA AUDUBON CHARTER SCHOOLEmployer identification number  
\*\*-\*\*\*4026

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

GRADE. THE FORMATION OF THE SCHOOL WAS IN RESPONSE TO THE DEVASTATION  
LEFT BY HURRICANE KATRINA.

FORM 990, PART VI, SECTION B, LINE 11B:

THE CHAIRMAN AND THE BOARD OF DIRECTORS WILL REVIEW AND APPROVE THE TAX  
RETURN BEFORE IT IS FILED.

FORM 990, PART VI, SECTION B, LINE 12C:

AS PART OF THE ANNUAL AUDIT PROCESS, OFFICERS AND EMPLOYEES MUST DISCLOSE  
ANY INTERESTS THAT COULD GIVE RISE TO CONFLICTS. BOARD MEMBERS READ AND  
SIGN THE CONFLICT OF INTEREST POLICY ANNUALLY.

FORM 990, PART VI, SECTION B, LINE 15:

THE BUDGET AND FINANCE COMMITTEE IS IN CHARGE OF BUDGET DECISIONS,  
INCLUDING DECIDING COMPENSATION FOR ALL EMPLOYEES. THE BUDGET AND FINANCE  
COMMITTEE USES SALARY AMOUNTS FROM SIMILAR POSITIONS AT SURROUNDING SCHOOLS  
AS A BENCHMARK IN CHOOSING AN APPROPRIATE SALARY. THE COMMITTEE MAKES ITS  
INITIAL DECISIONS AND THEN IT GOES TO THE BOARD OF DIRECTORS FOR APPROVAL.  
THE BOARD OF DIRECTORS ARE INDEPENDENT OF THE SCHOOL AND RECEIVE NO  
COMPENSATION FROM THE SCHOOL. ALL DISCUSSIONS AND DECISIONS ARE DOCUMENTED  
IN THE BOARD'S MINUTES.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST  
POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC THROUGH PUBLIC

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2018)

832211 10-10-18



Schedule O (Form 990 or 990-EZ) (2018)

Page **2**

Name of the organization **FRENCH AND MONTESSORI EDUCATION INC.**  
**DBA AUDUBON CHARTER SCHOOL**

Employer identification number  
**\*\* - \*\*\*4026**

**RECORDS REQUESTS.**

DRAFT

Form **8868**  
(Rev. January 2019)Department of the Treasury  
Internal Revenue Service**Application for Automatic Extension of Time To File an  
Exempt Organization Return**

OMB No. 1545-1709

► **File a separate application for each return.**  
 ► **Go to [www.irs.gov/Form8868](http://www.irs.gov/Form8868) for the latest information.**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits](http://www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits).

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
Type or print  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. <b>FRENCH AND MONTESSORI EDUCATION INC. DBA AUDUBON CHARTER SCHOOL</b>	Employer identification number (EIN) or  <b>**-***4026</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>428 BROADWAY STREET</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>NEW ORLEANS, LA 70118</b>	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**JUSTIN C. ANDERSON**

- The books are in the care of ► **428 BROADWAY STREET - NEW ORLEANS, LA 70118**  
Telephone No. ► **(504) 274-1952** Fax No. ► \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box ☐ \_\_\_\_\_
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 6-month extension of time until **MAY 15, 2020**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ► ☐ calendar year \_\_\_\_\_ or  
 ► ☒ tax year beginning **JUL 1, 2018**, and ending **JUN 30, 2019**.

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	<b>0.</b>
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	<b>0.</b>
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	<b>0.</b>

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**Form **8868** (Rev. 1-2019)