Laureate Academy Charter School Board of Directors

10.12.2021 Laureate Finance Committee Meeting

Focus: Audit Review

Published on October 10, 2021 at 8:40 PM CDT

Date and Time

Tuesday October 12, 2021 at 5:15 PM CDT

Location

ZOOM: Due to COVID-19 Precautions
Join Zoom Meeting
https://us06web.zoom.us/j/82766243019

Meeting ID: 827 6624 3019
Passcode: 705610
One tap mobile
+13017158592,,82766243019# US (Washington DC)
+13126266799,,82766243019# US (Chicago)

The matters listed are those reasonably anticipated by the Chair to be discussed at the meeting. Not all items listed may, in fact, be discussed. Other items not listed may be brought up for discussion to the extent permitted by law. All agenda items are informational unless otherwise denoted, though all committee reports require a vote for acceptance. Unless otherwise stated due to COVDI-19 precautions, the meeting will be held on the campus of the school (2115 Oakmere Drive Harvey, LA 70058)

Agenda

		Purpose	Presenter	Time
I.	**Opening Items**			**5:15 PM**
	A. Record Attendance		Nicholas Aucoin	1 m
	B. Call the Meeting to Order		Nicholas Aucoin	1 m
	C. Audit Draft Review + Q&A	Discuss	Auditor	40 m
	D. Adjournment		Nicholas Aucoin	1 m
II.	**Finance**			
III.	**Other Business**			
IV.	**Closing Items**			
	A. Adjourn Meeting	Vote		

College Starts in Kindergarten

Coversheet

Audit Draft Review + Q&A

Section: I. Opening Items
Item: C. Audit Draft Review + Q&A
Purpose: Discuss
Submitted by:
Related Material: WTB - Draft.xlsx
Draft AJE Report.pdf
Draft Governance Letter.pdf
20-21 Draft Audit Report - Laureate.pdf

Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. Adobe Reader:

WTB - Draft.xlsx

10/5/2021
12:03 PM

Client: ***213-118150 - Laureate Academy***
Engagement: ***AUD 2021 - Laureate Academy***
Period Ending: ***6/30/2021***
Trial Balance: ***0900 - TB- NFP***
Workpaper: ***0920.10 - Adjusting Journal Entries Report - PBC Only 2021***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**0990.06**		
PBC AJE to adjust receivable for ESSER II Reimbursements				
4590300	REVENUE FROM FEDERAL SOURCES:ESSER II		63.00	
1991010	199-10 Other Curr Assets - Receivables:Other Federal Fund Receivable			63.00
Total			**63.00**	**63.00**
Adjusting Journal Entries JE # 2		**002**		
PBC entry to adjust Title I for chomebooks purchased by district on behalf of school				
1997000	199-7 Other Curr Assets - Receivables:Title I Rece		88.00	
6151110	Technology Supplies-Gr 1st -8th		3,275.00	
4541000	Title I - to LEA			3,275.00
4541000	Title I - to LEA			88.00
Total			**3,363.00**	**3,363.00**
Adjusting Journal Entries JE # 3		**4120.00 and 0990.07**		
PBC entry to tie to clients final profit and loss and adjust admin fee per MFP funding calculation				
3110000	State Pub Sch Fund (State MFP)		1,035.00	
8112400	MFP Admin Fee			1,035.00
Total			**1,035.00**	**1,035.00**
	Total Adjusting Journal Entries		**4,461.00**	**4,461.00**
	Total All Journal Entries		**4,461.00**	**4,461.00**



CliftonLarsonAllen LLP
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Board of Directors
Laureate Academy Charter School
Harvey, Louisiana

We have audited the financial statements of Laureate Academy Charter School (the School) as of and for the year ended June 30, 2021, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

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Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during ended June 30, 2021.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected consolidated financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

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Other information in documents containing audited financial statements

With respect to the Schedule of Compensation, Benefits, and other Payments to the Agency Head accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

Schedules 1 and 2 as required by Louisiana State Law accompanying the financial statements, which is the responsibility of management, were prepared for purposes of additional analysis and are not a

required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

Recent accounting standards

Our promise is to get to know you and help you. For your consideration, we provided recent accounting standards applicable to your entity.

Leases –

- Effective for fiscal years beginning after December 15, 2019 for public entities and December 15, 2021 for nonpublic entities. For your entity – June 30, 2023's financial statements
- Requires lessees to recognize the assets and liabilities arising from all leases on the statement of financial position.
- A lessee should recognize the liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term.
- Continued differentiation between finance and operating leases.

This communication is intended solely for the information and use of the Board of Directors and management of Laureate Academy Charter School and is not intended to be, and should not be, used by anyone other than these specified parties.

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CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

LAUREATE ACADEMY CHARTER SCHOOL

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2021

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LAUREATE ACADEMY CHARTER SCHOOL
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Laureate Academy Charter School
Harvey, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Laureate Academy Charter School (the School), a Louisiana nonprofit corporation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

A member of Nexia International

Board of Directors
Laureate Academy Charter School

Opinion

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial position of the School as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the School's financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedules required by Louisiana state law, included as schedules 1 and 2, are not a required part of the basic financial statements, but are supplementary information required by Louisiana state law. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures, which are described in the Independent Accountants' Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

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Other Reporting Required by *Government Auditing Standards*

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

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

LAUREATE ACADEMY CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

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ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 1,768,659
Accounts Receivable	212,383
Prepaid Expenses and Other Assets	42,280
Total Current Assets	2,023,322
LONG-TERM ASSETS	
Property, Plant, and Equipment, Net	724,565
Total Long-Term Assets	724,565
Total Assets	$ 2,747,887

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	$ 81,029
Total Current Liabilities	81,029
NET ASSETS	
Without Donor Restriction	2,666,858
Total Net Assets	2,666,858
Total Liabilities and Net Assets	$ 2,747,887

See accompanying Notes to Financial Statements.

LAUREATE ACADEMY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

NET ASSETS WITHOUT DONOR RESTRICTION	
REVENUES	
State and Local Public School Funding	$ 4,463,126
Federal Grants	323,647
Donations	5,309
Other Income	383,107
Total Revenues	5,175,189
EXPENSES	
Program Services	3,290,323
Management and General	649,856
Total Expenses	3,940,179
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	1,235,010
Net Assets Without Donor Restriction, Beginning of Year	1,431,848
NET ASSETS WITHOUT DONOR RESTRICTION, END OF YEAR	$ 2,666,858

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See accompanying Notes to Financial Statements.

LAUREATE ACADEMY CHARTER SCHOOL
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 1,235,010
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	47,920
Forgiveness of Paycheck Protection Program Loan	(374,700)
Change in Operating Assets:	
Accounts Receivable	(205,383)
Prepaid Expenses and Other Assets	7,727
Change in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	58,242
Net Cash Provided by Operating Activities	768,816
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property, Plant, and Equipment	(711,497)
Net Cash Used by Investing Activities	(711,497)
NET CHANGE IN CASH AND CASH EQUIVALENTS	57,319
Cash and Cash Equivalents, Beginning of Year	1,711,340
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,768,659
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES	
Forgiveness of Paycheck Protection Program Loan	$ 374,700

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See accompanying Notes to Financial Statements.

LAUREATE ACADEMY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Total Expenses
Salaries and Wages	$ 1,985,592	$ 278,045	$ 2,263,637
Pension Expense	20,743	2,905	23,648
Other Employee Benefits	154,546	21,641	176,187
Payroll Taxes	156,274	21,883	178,157
Legal Expenses	-	17,420	17,420
Accounting Expenses	-	63,426	63,426
Instructional Materials	219,862	-	219,862
Other Fees for Services	335,585	46,278	381,863
Advertising and Promotion Expenses	-	1,716	1,716
Office Expenses	-	35,669	35,669
Information Technology Expenses	70,496	3,710	74,206
Occupancy Expenses	292,813	15,411	308,224
Travel Expenses	8,888	-	8,888
Depreciation Expense	45,524	2,396	47,920
Insurance Expense	-	39,231	39,231
Other Expenses	-	100,125	100,125
Total Functional Expenses	$ 3,290,323	$ 649,856	$ 3,940,179

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See accompanying Notes to Financial Statements.

LAUREATE ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

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

Basis of Accounting

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

Basis of Presentation

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

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

Cash and Cash Equivalents

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

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LAUREATE ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

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

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

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

The School reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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Accounts Receivable

Management evaluates receivables to assess whether they are collectible, and records an allowance accordingly. Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2021. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

Property, Plant, and Equipment

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

LAUREATE ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

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

Contributions

All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as with donor restriction. Restricted contributions that are received and released in the same period are reported as revenue without donor restriction. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. As of June 30, 2021, the School did not have any unearned revenue related to conditional grants.

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Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2021, the School has conditional grants of $0.00 that have not been recognized as revenue in the statement of activities because conditions have not been met.

Other Revenue

Other revenue consists primarily of Paycheck Protection Program loan forgiveness. In May 14, 2021, the principal amount of $374,000, along with accrued interest of $3,737, was forgiven by the financial institution and U.S. Small Business Administration.

Compensated Absences

The School does not allow employees to carryover unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2021.

LAUREATE ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

Evaluation of Subsequent Events

The School has evaluated subsequent events through REPORT DATE, the date these financial statements were available to be issued.

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NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of 1,981,042.

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

NOTE 3 CONCENTRATION OF CREDIT RISK

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

NOTE 4 EMPLOYEE RETIREMENT

Defined Contribution Plan

The School offers an Internal Revenue Code Section 401(k) retirement plan to each of its qualifying employees. Employer matching contributions are made as a percentage of elective deferrals for each employee who is eligible for employer contributions. Additionally, the employer may elect to make a discretionary contribution for each qualifying employee for each plan year. The amount of employer contributions used to purchase annuity contracts for the year ended June 30, 2021 was $23,648.

LAUREATE ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment in the accompanying financial statements is presented net of accumulated depreciation. Depreciation expense was $47,920 for the year ended June 30, 2021.

The components of property, plant and equipment as of June 30, 2021 are as follows:

Leasehold Improvements	$	117,640
Equipment		88,621
Construction in Progress		711,497
Accumulated depreciation		(193,193)
Property, Plant, and Equipment, Net	$	724,565

NOTE 6 NOTES PAYABLE

On May 20, 2020 the School received a loan from Gulf Coast Bank and Trust Company in the amount of $374,700 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the “PPP Loan”). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the organization fails to apply for forgiveness within ten months after the covered period, then payment of principal and interest shall begin on that date.

In May 14, 2021, the principal amount of $374,000, along with accrued interest of $3,737, was forgiven by the financial institution and U.S. Small Business Administration. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the School’s financial position.

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LAUREATE ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 OPERATING LEASES

The School's leases its facility under a lease agreement that expires on June 30, 2021. The lease requires monthly payments of $11,500. Lease expense under this agreement for the year ended June 30, 2021 was $138,000. The lease was renewed for an additional term that expires on June 30, 2025. Future minimum lease payments are as follows:

Year Ended June 30,	Amount
2022	$ 144,900
2023	147,798
2024	150,754
2025	153,769
Total	$ 597,221

NOTE 8 CONTINGENCIES, RISKS AND UNCERTAINTIES

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

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the School, COVID-19 may impact various parts of its 2022 operations and financial results, including, but not limited to, loss of revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the School is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

The School has contracts for construction and renovation of its facilities with an estimated total cost of $1,458,613 of which $776,806 will be incurred subsequent to June 30, 2021.

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

Board of Directors
Laureate Academy Charter School
Harvey, Louisiana

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Laureate Academy Charter School (the School), a Louisiana nonprofit corporation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated REPORT DATE.

Internal Control Over Financial Reporting

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

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

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

Board of Directors
Laureate Academy Charter School

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

LAUREATE ACADEMY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2021

There were no findings for the year ended June 30, 2021.

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LAUREATE ACADEMY CHARTER SCHOOL
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2021

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

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LAUREATE ACADEMY CHARTER SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD
YEAR ENDED JUNE 30, 2021

Agency Head:	**Claire Heckerman**	
Purpose		Amount
Salary		$ 101,683
Benefits - Employer Portion of Retirement		9,283
Benefits - Employer Portion of Medical/Dental/Vision		6,950
Travel		-
Cell Phone Reimbursement		-
Reimbursements		-
Conferences		-
Benefits - Employee Portion of Disability		-
Other Compensation-Security		-
Community Relations		-
Professional Development		-
Total		$ 117,916

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See Independent Auditors' Report.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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

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

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

   - Total General Fund Instructional Expenditures,
   - Total General Fund Equipment Expenditures,
   - Total Local Taxation Revenue,
   - Total Local Earnings on Investment in Real Property,
   - Total State Revenue in Lieu of Taxes,
   - Nonpublic Textbook Revenue, and
   - Nonpublic Transportation Revenue.

Results: No exceptions were noted.

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Board of Directors
Laureate Academy Charter School

Class Size Characteristics (Schedule 2)

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

Results: No exceptions were noted.

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

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of eight individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was property classified on the PEP data or equivalent listing prepared by management.

Results: No exceptions were noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

Results: No exceptions were noted.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the (City or Parish School Board or Charter School), as required by Louisiana Revised Statue 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

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LAUREATE ACADEMY CHARTER SCHOOL
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES
SCHEDULE 1
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Column A	Column B
General Fund Instructional and Equipment Expenditures		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	$ 1,366,724	
Other Instructional Staff Activities	374,002	
Instructional Staff Employee Benefits	276,303	
Purchased Professional and Technical Services	113,857	
Instructional Materials and Supplies	198,964	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		$ 2,329,850
Other Instructional Activities		$ -
Pupil Support Services	$ 73,045	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		$ 73,045
Instructional Staff Services	$ 23,662	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		$ 23,662
School Administration	$ 641,751	
Less: Equipment for School Administration	-	
Net School Administration		$ 641,751
Total General Fund Instructional Expenditures (Total of Column B)		$ 3,068,308
Total General Fund Equipment Expenditures (Object 730; Functional Series 1000-4000)		$ -
Certain Local Revenue Sources		
Local Taxation Revenue:		
Ad Valorem Taxes:		
Constitutional Ad Valorem Taxes		$ -
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collectional by the Sheriff on Taxes Other than School Taxes		-
Result of Court Ordered Settlement (Ad Valorem)		-
Penalties/Interest on Ad Valorem Taxes		-
Taxes Collected Due to Tax Incremental Financing (TIF) (Ad Valorem)		-
Sales Taxes:		
Sales and Use Taxes - Gross		-
Sales/Use Taxes - Court Settlement		-
Penalties/Interest on Sales/Use Taxes		-
Sales/Use Taxes Collected Due to TIF		-
Total Local Taxation Revenue		$ -
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		$ -
Sate Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		$ -
Nonpublic Textbook Revenue		$ -
Nonpublic Transportation Revenue		$ -

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

LAUREATE ACADEMY CHARTER SCHOOL
CLASS SIZE CHARACTERISTICS
SCHEDULE 2
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

AS OF OCTOBER 1, 2020

	Class Size Range							
	1-20		21-26		27-33		34+	
School Type	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary	7	39%	10	56%	1	6%		
Elementary Activity Class								
Middle High								
Middle High Activity Class								
High								
High Activity Class								
Combination								
Combination Activity Class								

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