

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

FINANCIAL STATEMENTS
Year Ended June 30, 2021

Roslyn J. Johnson, LLC
Certified Public Accountant

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Advocates for Innovative Schools, Inc.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of **Advocates for Innovative Schools, Inc. d/b/a Robert Russa Moton Charter School** (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, I 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.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.

(d/b/a) Robert Russa Moton Charter School

Independent Auditor's Report

For the Year Ended June 30, 2021

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Advocates for Innovative Schools, Inc. d/b/a Robert Russa Moton Charter School** as of June 30, 2021, and the changes in financial position, functional expenses, 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

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U. S. Code of federal Regulations (CFR) Part 200, Uniform administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits and other payments to Chief Executive Officer is required by Louisiana Revised Statue 24:513(a)(3). 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.

(d/b/a) Robert Russa Moton Charter School

Independent Auditor's Report

For the Year Ended June 30, 2021

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 3, 2021 on my consideration of **Advocates for Innovative Schools, Inc. d/b/a Robert Russa Moton Charter School's** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Advocates for Innovative Schools, Inc. d/b/a Robert Russa Moton Charter School's** internal control over financial reporting and compliance.

Roslyn J. Johnson, LLC

Certified Public Accountant

Baton Rouge, Louisiana

December 3, 2021

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

Statement of Financial Position
June 30, 2021

ASSETS	
Cash in bank - unrestricted	\$ 2,890,430
Cash in bank - restricted	54,045
Total cash in bank	2,944,475
Grants receivable (note 3)	719,054
Prepaid expenses	67,294
Property and equipment, net (note 4)	1,429
TOTAL ASSETS	\$ 3,732,252
LIABILITIES	
Accounts payable	\$ 190,138
Payroll and payroll taxes payable	70,268
Funds held on behalf of others (note 8)	54,045
Loan payable (note 9)	19,343
TOTAL LIABILITIES	333,794
NET ASSETS	
Without donor restrictions	3,398,458
TOTAL NET ASSETS	3,398,458
TOTAL LIABILITIES AND NET ASSETS	\$ 3,732,252

The accompanying notes are an integral part of the basic financial statements.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Grants:			
Federal	\$ -	\$ 1,230,500	\$ 1,230,500
State	1,872	126,681	128,553
Other	-	10,000	10,000
State and local Minimum Foundation Program	3,999,282	-	3,999,282
Paycheck Protection Program loan forgiveness	847,614	-	847,614
In-kind contributions	50,000	-	50,000
Interest income	11,129	-	11,129
Miscellaneous income	880	-	880
Total revenue and support before release	<u>4,910,777</u>	<u>1,367,181</u>	<u>6,277,958</u>
Net assets released from restrictions	<u>1,367,181</u>	<u>(1,367,181)</u>	<u>-</u>
TOTAL REVENUES AND OTHER SUPPORT	<u>6,277,958</u>	<u>-</u>	<u>6,277,958</u>
EXPENSES			
Instruction:			
Regular programs	2,144,187	10,000	2,154,187
Special education programs	595,095	-	595,095
Other instructional programs	1,432	-	1,432
Special programs	<u>1,267,636</u>	<u>-</u>	<u>1,267,636</u>
Total Instruction	<u>4,008,350</u>	<u>10,000</u>	<u>4,018,350</u>
Supporting Services:			
Pupil support services	118,230	-	118,230
Instructional staff services	108,941	-	108,941
General administration	166,014	-	166,014
School administration	641,462	-	641,462
Business services	278,623	-	278,623
Operation and maintenance of plant services	533,832	-	533,832
Student transportation services	18,338	-	18,338
Food services operations	<u>7,005</u>	<u>-</u>	<u>7,005</u>
Total Supporting Services	<u>1,872,445</u>	<u>-</u>	<u>1,872,445</u>
TOTAL EXPENSES	<u>5,880,795</u>	<u>10,000</u>	<u>5,890,795</u>
CHANGE IN NET ASSETS	397,163	(10,000)	387,163
NET ASSETS AT BEGINNING OF YEAR	<u>3,001,295</u>	<u>10,000</u>	<u>3,011,295</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,398,458</u>	<u>\$ -</u>	<u>\$ 3,398,458</u>

The accompanying notes are an integral part of the basic financial statements.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

Statement of Functional Expenses
Year Ended June 30, 2021

	Instructional Programs	Support Services
	Program Services	Management and General
Salaries	\$ 2,216,767	\$ 822,010
Employee benefits	971,251	334,375
Purchased professional and technical services	208,975	225,469
Purchased property services	78,247	100,749
Other purchased services	240,656	164,844
Supplies	284,994	138,985
Property	12,861	-
Other objects	4,599	86,013
	<u>\$ 4,018,350</u>	<u>\$ 1,872,445</u>
Total		

The accompanying notes are an integral part of the basic financial statements.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

Statement of Cash Flows
Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 387,163
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:	
Depreciation expense	1,429
(Increase) decrease in operating assets:	
Accounts receivable	-
Grants receivable	(685,107)
Deposits	13,903
Prepaid expenses	3,072
Increase (decrease) in operating liabilities:	
Accounts payable	(49,774)
Payroll and payroll taxes payable	(159,529)
Fund held on behalf of others	6,345
Deferred revenue	<u>(10,000)</u>
Net cash used in operating activities	(492,498)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Paycheck Protection Program loan	<u>(847,614)</u>
Net increase (decrease) in cash	(1,340,112)
CASH AT BEGINNING OF YEAR	<u>4,284,587</u>
CASH AT END OF YEAR	<u><u>\$ 2,944,475</u></u>

The accompanying notes are an integral part of the basic financial statements.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)

Notes to the Financial Statements
Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies

A. Organization

Advocates for Innovative Schools, Inc. d/b/a Robert Russa Moton Charter School (the School) was organized as a non-profit corporation under the laws of the State of Louisiana on February 20, 2006. **The School** entered into an Operating Agreement with Orleans Parish School Board (**OPSB**) effective June 1, 2006, whereby **the School** would operate a Type III charter school as defined in LSA R.S. 17:3973(3)(b). The charter was granted for a minimum of five (5) years, with the fifth year in operation concluding June 30, 2011. The charter was renewed for an additional six years effective July 1, 2011 and July 1, 2017 for four (4) years expiring on June 30, 2021. Commencing on July 1, 2021, the agreement was renewed for an additional three years expiring on June 30, 2024.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, they reflect revenues and related receivables when earned rather than when received and expenses and related payables when incurred rather than when paid.

C. Financial Statement Presentation

The financial statements of **the School** have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “*Audit and Accounting Guide for Not-for-Profit Organizations*” (the Guide). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of **the School** and changes therein are classified as follows:

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

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.

(d/b/a Robert Russa Moton Charter School)

Notes to the Financial Statements

For the Year Ended June 30, 2021

Net Assets With Donor Restriction – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of **the School** or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

D. Public Support and Revenue

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the state of Louisiana and the Orleans Parish School Board. **The School** received \$1,480,955 from the State and \$2,518,327 from the Orleans Parish School Board per eligible student at the official pupil count date of October 1, 2020, payable in monthly installments. State and Federal grants are on a cost reimbursement basis.

E. Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, **the School** considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents. **The School** had no cash equivalents at June 30, 2021.

F. Grants Receivable

The grants receivable is stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

G. Property and Equipment

Capital assets, which include property and equipment, are reported at historical cost or estimated cost. Donations of property and equipment are recorded as contributions at their estimated fair value. **The School's** policy is to capitalize property and equipment that is equal to or greater than \$5,000 per unit cost in value. Repairs and maintenance and small equipment purchases are charged to expense when incurred.

Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset. Useful lives vary from 3 to 7 years for property and equipment.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.

(d/b/a Robert Russa Moton Charter School)

Notes to the Financial Statements

For the Year Ended June 30, 2021

assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Income Taxes

Income taxes are not provided for in the financial statements since **the School** is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

J. Contributions

Contributions are generally recorded only upon receipt, unless evidence or an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value for the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available without restrictions unless specifically restricted by the donor.

K. Functional Expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied.

When possible, expenses are first allocated by direct identification and then by allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort. There were no such allocated expenses during the year ended June 30, 2021.

L. Compensated Absences

All full-time employees earn paid leave at various rates based on employment classification. The earned leave may be used in the event of their own illness, a family illness, bereavement, or for personal business. Employees do not have the right to carryover paid leave days at the end of the fiscal year. Employees are paid for any accrued unpaid leave at the end of the fiscal year, or upon an employee's separation from employment.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.

(d/b/a Robert Russa Moton Charter School)

Notes to the Financial Statements

For the Year Ended June 30, 2021

Note 2 – Concentration of Credit Risk

The School maintains cash balances in two financial institutions located in Louisiana which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The School had \$2,781,477 in excess of the insured limits in one bank at June 30, 2021, however the bank had pledged investment securities to guarantee the School's deposits.

Note 3 – Grants Receivable

As of June 30, 2021, grants receivable consists of amounts due from the following sources:

Grant receivables:

Title I	\$ 38,735
Title IV	13,729
LA-4 Federal	45,800
LA-4 State (8g)	45,800
Idea Part B	1,471
High Cost Services	1,984
Professional Improvement Program (PIP)	468
Elementary and Secondary School Emergency Relief (ESSER) I	82,960
Elementary and Secondary School Emergency Relief (ESSER) II	361,536
Elementary and Secondary School Emergency Relief (ESSER) III	<u>126,571</u>
Total grant receivables	<u>\$ 719,054</u>

Note 4 – Capital Assets

The following is a summary of the changes in capital assets for the year ended June 30, 2021:

Property and Equipment	\$ 10,000
Less accumulated depreciation	<u>8,571</u>
Totals	<u>\$ 1,429</u>

Depreciation expense totaled \$1,429 for the year ended June 30, 2021.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.

(d/b/a Robert Russa Moton Charter School)

Notes to the Financial Statements

For the Year Ended June 30, 2021

Note 5 – Retirement Plan

Substantially all employees of **the School** are members of the Teachers' Retirement System of Louisiana (TRSL). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan is as follows:

Teachers' Retirement System of Louisiana (TRSL)

Plan Description. The TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8.0% of their annual covered salary. **The School** is required to contribute at an actuarially determined rate. The current rate is 25.8% of annual covered payroll for the year ended June 30, 2021. Member contributions and employer contributions for the TRSL are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. **The School's** contributions to the TRSL for the years ended June 30, 2021, 2020, and 2019, was \$738,368, \$943,094, and \$747,884, respectively, which is equal to the required contributions for each year.

Note 6 – Risk Management and Uncertainties

The School is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the year ended June 30, 2021.

Note 7 – School Facilities Operating Lease

Effective July 1, 2017 **the School** entered into an agreement with the Orleans Parish School Board, which allows **the School** to use the facilities and its contents located at 8550 Curran Boulevard, New Orleans, Louisiana, or any other locations as may be approved by **the School** and the OPSB. The agreement expired on June 30, 2021 and was renewed on July 1, 2021 for an additional three years expiring on June 30, 2024. For the use of the facilities, **the School** reimburses property insurance costs to OPSB. **The School** paid OPSB \$69,218, for the year ended June 30, 2021.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.

(d/b/a Robert Russa Moton Charter School)

Notes to the Financial Statements

For the Year Ended June 30, 2021

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules. Improvements made to the facilities become property of OPSB.

Use of the property is not recorded as an in-kind contribution from the OPSB, nor as a related rent expense. The value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

Note 8 – Funds Held on Behalf of Others

The School acts as a custodian for student activity accounts. Funds held on behalf of these groups amounted to \$54,045 at June 30, 2021, and is reported as both an asset (restricted cash) and a liability (Funds held on behalf of others). Consequently, there is no effect on **the School's** net assets.

Note 9 – Loan Payable

On May 4, 2020, **the School** received an \$866,957 loan from Hancock Whitney Bank under the Paycheck Protection Program (PPP) of the U. S. Small Business Administration (SBA). Interest on the loan was 1%. On June 3, 2021, \$847,614 of this loan was forgiven and repaid by SBA, leaving **the School** with a loan payable to Hancock Whitney Bank of \$19,343. This loan balance can be amortized over a period of two years. The amount of the loan forgiven, \$847,614, was recorded as revenue on the Statement of Activities.

Note 10 – In-Kind Contributions

The value of in-kind contributions to **the School** are recognized at the fair market value of the benefit received. In-kind contributions and related expenses were \$50,000 for the year ended June 30, 2021.

Note 11 – Liquidity and Availability

The School is substantially supported by grants and donations on an unrestricted and restricted basis. Because a grantor or donor's restrictions requires resources to be used in a particular manner or in a future period, **the School** must maintain sufficient resources to meet those responsibilities to its grantors and donors. Thus, financial assets may not be available for general expenditures within one year. As part of the **School's** liquidity management, management has established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Management established guidelines for making decisions related to managing short-term cash reserves and other investments in a prudent manner.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.

(d/b/a Robert Russa Moton Charter School)

Notes to the Financial Statements

For the Year Ended June 30, 2021

The School's financial assets available for general expenditures as of June 30, 2021, reduced by amounts not available for general use because of grantor or donor-imposed restrictions was cash reserves totaling \$2,890,430.

Note 12 – Related Party Transactions

The School entered into a professional service contract with a company, Generation Success, to operate and provide a unique educational program for six weeks of the summer, June 7, 2021 through July 30, 2021, at **the School**. The Executive Assistant to the Chief Executive Officer of **the School** is on file with Louisiana Secretary of State as an Officer of the company, Generation Success. The total amount of the contract was \$42,500.

Note 13 - Board of Directors' Compensation

The members of the Board of Directors serve in a voluntary capacity; therefore, no compensation was paid to any board member during the year ended June 30, 2021.

Note 14 – Subsequent Events

The School is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **The School** performed such an evaluation through December 3, 2021, the date which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION
SCHEDULE**

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

**Schedule of Compensation, Benefits and other Payments
to Agency Head or Chief Executive Officer**

For the Year Ended June 30, 2021

<u>Purpose</u>	John McCrary CEO Jan 2021 - Present <u>Amount</u>	Deidra Bradley Interim Principal Sept - Dec 2020 <u>Amount</u>	Tarynesa Williams Principal Jul - Aug 2020 <u>Amount</u>
Salary	\$ 58,500	\$ 33,837	\$ 30,000
Health insurance	5,774	7,936	1,303
Benefits - Medicare	975	591	547
Benefits - Retirement	15,093	8,730	7,740
Accrued sick Time	2,750	3,011	2,735
Vacation Time	6,000	3,885	4,981
	<u>\$ 89,092</u>	<u>\$ 57,990</u>	<u>\$ 47,306</u>

**INDEPENDENT AUDITOR'S REPORTS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND *UNIFORM GUIDANCE***

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

To the Board of Directors
Advocates for Innovative Schools, Inc.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

I 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 **Advocates for Innovative Schools, Inc. d/b/a Robert Russa Moton Charter School (the School)**, (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 3, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **the School's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the School's** internal control. Accordingly, I 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, I identified certain deficiencies in internal control that I consider to be significant deficiencies.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.

(d/b/a Robert Russa Moton Charter School)

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*

I consider the deficiencies described in the accompanying schedule of findings as items #2021-001, #2021-002, #2021-003 to be significant deficiencies.

Compliance and Other Matters

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

The School's Response to Findings

The School's response to the findings identified in my audit is described in the accompanying schedule of findings. **The School's** response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **the School's** internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **the School's** internal control and compliance. Accordingly, this communication is not suitable for any other Purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.

Roslyn J. Johnson, LLC

Certified Public Accountant

Baton Rouge, Louisiana
December 3, 2021

**Independent Auditor's Report on Compliance For Each Major Program and On
Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors
Advocates for Innovative Schools, Inc.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

I have audited the compliance of **Advocates for Innovative Schools, Inc. (d/b/a Robert Russa Moton Charter School)** with the types of compliance requirements described in the *U. S. Office of Management and Budget OMB Compliance Supplement* that could have a direct material effect on each major federal program for the year ended June 30, 2021. **The School's** major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

ADVOCATES FOR INNOVATIVE SCHOOL, INC.
(d/b/a) Robert Russa Moton Charter School
Independent Auditor's Report on Compliance for Each Major Program
And on Internal Control Over Compliance Required by the *Uniform Guidance*

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of **the School's** compliance.

Opinion on Each Major Federal Program

In my opinion, **the School** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify

ADVOCATES FOR INNOVATIVE SCHOOL, INC.
(d/b/a) Robert Russa Moton Charter School
Independent Auditor's Report on Compliance for Each Major Program
And on Internal Control Over Compliance Required by the *Uniform Guidance*

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

Purpose of This Report

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

Roslyn J. Johnson, LLC

Certified Public Accountant

Baton Rouge, Louisiana
December 3, 2021

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures June 30, 2021</u>
<i>U. S. Department of Education</i>			
<i>Pass-through Programs From:</i>			
<i><u>Louisiana Department of Education:</u></i>			
<i>Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act</i>	<i>84.425D</i>	<i>NA</i>	<i>\$ 663,481</i>
<i>Title I Grants to Local Agencies</i>	<i>84.010</i>	<i>NA</i>	<i>244,959</i>
<i>Title IIA Individuals with Disabilities Education Act (IDEA) Part B</i>	<i>84.367</i>	<i>NA</i>	<i>39,467</i>
<i>High Costs Services Round 1</i>	<i>84.027</i>	<i>NA</i>	<i>95,508</i>
<i>Direct Student Services</i>	<i>84.010</i>	<i>NA</i>	<i>32,050</i>
			<i>19,043</i>
			<hr/> <i>\$ 1,094,508</i> <hr/>
<i>Total expenditures of federal awards</i>			<i>\$ 1,094,508</i>

The accompanying notes are an integral part of this schedule

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies

A. General

The accompanying Schedule of Expenditures of Federal Award includes all the federal grant activity of **Advocates for Innovative Schools, Inc. (the School)**. **The School's** reporting entity is defined in Note 1 of the financial statements for the year ended June 30, 2021. This schedule is presented in accordance with the requirements of *Uniform Guidance, "Audits of States, Local Governments, and Non-Profit Organizations."*

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to **the School's** financial statements for the year ended June 30, 2021.

C. Federal Indirect Cost Rate

Advocates for Innovative Schools, Inc. did not use the 10% de minimis cost rate during the year ended June 30, 2021.

D. Subrecipients

Advocates for Innovative Schools, Inc. did not provide federal funds to any subrecipients during the year ended June 30, 2021.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
Material weakness (es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency identified that are not considered to be material weaknesses?	_____ <u>X</u> Yes	_____ No
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No

Audit of Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> No
Type of auditor's report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.	_____ Yes	_____ <u>X</u> No

Identification of major programs:

<u>CFDA Numbers</u> 84.425D	<u>Name of Federal Program or Cluster</u> United States Department of Education Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act
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ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
Summary Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section II – FINANCIAL STATEMENT FINDINGS

Internal Control Over Financial Reporting

Audit Finding Reference Number

2021-001 Contract Management

Condition:

During my audit of contract payments made to sixteen (16) vendors providing professional services to **the School**, I noted the following deficiencies in contract management:

- Total payments of \$71,747.73, were made to five (5) vendors providing professional services without benefit of a written contract on file.
- Total payments of \$16,475.00, were made to two (2) vendors providing professional services on contracts not signed by management.
- Total payments of \$6,000 and \$1,825, were made to a vendor for professional services supported by insufficient invoice documentation. The invoices were not on the vendor's letterhead as was previously submitted but were on blank paper stock. Details of the services provided on the invoices were not complete missing such information as: i.e., invoice number, invoice date, service period, etc.

Criteria:

Good internal controls should ensure the school's contracts are reviewed and renewed timely.

Cause:

The School has no centralized management and oversight of contracts for professional services to ensure contracts are reviewed and renewed as necessary. Also, there are no formal written policies and procedures addressing the proper approval, processing, and maintaining vendor transactions for professional services.

Effect:

The lack of adequate internal controls over payments for professional services increase the risks of improper payments and misappropriation of **the School's** assets.

Recommendation:

I recommend that **the School** establish centralized oversight and monitoring of contracts to include, maintaining a master list of all active contracts. In addition, I recommend someone be assigned responsibility for monitoring deliverables and ensuring timely review and renewal of contracts, approving invoices, and maintaining all required documentation to support payments made to vendors for professional services.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC
(d/b/a Robert Russa Moton Charter School)
Summary Schedule of Findings and Questioned Costs –
Financial Statement Audit
For the Year ended June 30, 2021

Management's Corrective Action Plan:

We are in agreement that this finding is a deficiency important enough to merit attention by those charged with governance. Several steps have already been put in place to reduce risks of improper payments and misappropriation of the school's assets.

1. An Executive Assistant to the Chief Executive Officer (EA) was hired in March 2021. One of the specific duties of the EA is to maintain electronic and hard copies of all contracts, in essence a Contract Manager. The EA reports directly to the Chief Executive Officer (CEO).
2. The CFO is responsible for monitoring payments and deliverables and approving invoices. The CFO reports directly to the CEO. Closer monitoring will be required going forward.
3. The Business Office Assistant is responsible for maintaining all documentation to support payments to vendors prior to payment. These responsibilities are outlined in their respective job descriptions. The Business Office Assistant reports directly to the CFO. Closer monitoring will be required going forward.
4. The AIS Board has Fiscal Policies that outline written policies and procedures for approval, processing, and maintaining vendor transactions for professional services. Closer monitoring will be required going forward.
5. Monthly monitoring by the CEO (or his designee) and the AIS Finance Committee will be used to ensure that adequate supervision and oversight of vendor transactions are in place beginning in July 2021. Written minutes of the reviews, noting any exceptions or compliance issues, will be maintained until June 2022.
6. The Board will continue to require detailed reviews of the vendor roster payments as part of the monthly financial reports received from the Chief Finance Officer.

Audit Finding Reference Number

2021-002 Payroll Administration of Time and Attendance

Condition:

During my audit of the School's payroll time and attendance documents for thirty (34) payroll transactions randomly selected, I noted the following deficiencies related to payroll functions:

- Time and attendance reports for seven employees did not include the required supporting documentation, i.e., electronic timecards, leave slips, missed punch forms, to support hours worked during the pay period.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC
(d/b/a Robert Russa Moton Charter School)
Summary Schedule of Findings and Questioned Costs –
Financial Statement Audit
For the Year ended June 30, 2021

- I noted one key employee of **the School** used the *Employee Missed Punched Form* approximately 112 times throughout the year to document time not reported on the electronic timecard. This employee was still paid without loss of compensation for undocumented time although the *Employee Missed Punched Forms* were never approved by the immediate supervisor. Further, this employee earned and was paid employment benefits at June 30, for sick and vacation leave earned throughout the year, in the amount of \$3,010.72 and \$3,884.80 respectively when attendance at work was not sufficiently supported with the required approved documentation.

Criteria:

The School's policies and procedures require payroll transactions are properly documented and no employee shall be paid for work performed until the time they have worked is correctly documented and approved.

Cause:

The School did not enforce its own policies and procedures to ensure that payroll transactions were properly documented. According to policies and procedures of **the School**, all employees are required to complete time records including electronic timecards. If an employee is present at work but fails to sign in and out or fails to complete a timesheet at end of week, undocumented time will be deducted from their pay. No employee shall be paid for work performed until the time they have worked is correctly documented and approved by appropriate officials.

Effect:

Failure to ensure compliance with established payroll procedures could result in misappropriation and improper payments without timely detection.

Recommendation:

I recommend **the School** intensify all efforts to ensure all employee time and attendance documents are processed in accordance with the current policies and procedures.

Management's Corrective Action Plan:

We are in agreement that this finding is a deficiency important enough to merit attention by those charged with governance. A new process is already in place. We consider the incident of the key employee to be a clerical error, because the policy is in place but the process was not completed timely.

1. All Employee Missed Punch Forms will be approved according to the AIS policy paperwork from 2020 – 2021. The CFO will document that the employee was paid the accurate amount upon receipt of the incomplete paperwork to ensure that attendance at work was sufficiently supported with the required approved documentation.
2. Should there be any overpayment of salary resulting from the payroll review, it will be recovered from the employee.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC
(d/b/a Robert Russa Moton Charter School)
Summary Schedule of Findings and Questioned Costs –
Financial Statement Audit
For the Year ended June 30, 2021

3. The AIS Board revised the sign-in procedures for school leaders to include alternative methods of recording their time including signing from their computers, completing weekly sign-in forms, scanning their I.D. cards or completing the punch forms.
4. The CFO will document all missed time with a specific policy form that will serve as a reminder and documentation of failure of employees to follow procedures.
5. The policy will be followed with NO EXCEPTIONS.
6. The Human Resources vendor will handle the attendance and signing in and out time for all employees. An alert from the company should resolve any missed reports and document the instances without involving a high-level administrator to do clerical work. All Moton employees are responsible for utilizing the Human Resource Management System to clock-in upon their arrival and to clock out upon their departure. This is where all time and attendance is captured and stored for future reference. All leave request will also be submitted to the HRM System as leave balances are tracked in the system and deducted after each pay period. All time off requests in addition to daily hours worked must be approved by direct supervisors in the system.

2021 – 003 Segregation of Payroll Processing Duties

Condition:

I noted during my audit inadequate segregation of duties performed by the Chief Financial Officer when processing the School's payroll. The following issues were observed:

- The Chief Financial Officer has the ability to add employees and change employee payroll information with the outside payroll processing vendor.
- The Chief Financial Officer receives, reviews, approves and maintains on file all payroll reports from the outside payroll processing vendor.
- The Chief Financial Officer records all payroll transactions to the accounting system and receives, reconciles, and maintain the filing of all the School's bank accounts, with no indication of review by an employee independent of this function.

Criteria:

To the extent possible, payroll functions should be segregated to serve as a check and balance and to maintain the best control system possible.

Cause:

The School has not sufficiently assigned responsibilities of the payroll process to ensure proper segregation of duties and independent review and oversight by an employee(s) not performing these functions.

ADVOCATES FOR INNOVATIVE SCHOOLS, INC
(d/b/a Robert Russa Moton Charter School)
Summary Schedule of Findings and Questioned Costs –
Financial Statement Audit
For the Year ended June 30, 2021

Effect:

The failure to properly segregate payroll processing functions increase risk of errors and risk of misappropriation of **the School's** assets.

Recommendation:

I recommend that **the School** properly segregate payroll functions and ensure timely independent review of payroll reports received from the outside payroll processing vendor, and payroll bank reconciliations prepared by the Chief Financial Officer.

Management's Corrective Action Plan:

We are in agreement that this finding is a deficiency important enough to merit attention by those charged with governance. The extra duties being carried by the CFO was a temporary assignment, not part of the formal job description. The multiple duties situation was supposed to be only until the HR company could be vetted and hired.

1. A Human Resource vendor has been contracted to handle some of the payroll reports that the Chief Financial Officer was performing, thus ensuring the suggested proper segregation of duties.
2. The vendor began work in October 2021. The CFO will be reviewing the work of the vendor and signing off on any payroll reports and preparation of bank reconciliations.
3. The principal will continue to sign off on the payroll files before they are submitted to the vendor to provide further oversight.
4. The school principal and assistant principals will undergo training from the CFO to ensure independent review and oversight of payroll by qualified reviewers are available

ADVOCATES FOR INNOVATIVE SCHOOLS, INC
(d/b/a Robert Russa Moton Charter School)
Summary Schedule of Findings and Questioned Costs –
Financial Statement Audit
For the Year ended June 30, 2021

Section III – FEDERAL AWARDS FINDINGS

There were no findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2021 related to internal control and compliance material to federal awards.

Section IV – MANAGEMENT LETTER

Not Applicable

ADVOCATES FOR INVOATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2021

No findings or questioned costs for the year ended June 30, 2020.

STATE REPORTING SECTION

**Schedules Required By State Law
(R.S. 24:514 – Performance and Statistical Data)**

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees of **Advocates for Innovative Schools, Inc. d/b/a/ Robert Russa Moton Charter School**, the Louisiana Department of Education, and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the management of, **Advocates for Innovative Schools, Inc. d/b/a Robert Russa Moton Charter School (the School)**; the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of **the School** for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514(I). Management of **the School** is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. I selected a sample of 30 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

Total General Fund Instructional Expenditures

Comment: No exceptions were noted.

Class Size Characteristics (Schedule 2)

2. I obtained a list of classes by school, school type, and class size as reported on the schedule. I then traced a sample of 25 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

Comment: No exceptions were noted.

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

3. I obtained a list of 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. I then traced data/listing to each individual's personnel file and the October 1, 2020 PEP data file, and observed that each individual's education level and experience was properly classified.

Comment: Noted one exception in that one teacher's years of experience was incorrectly reported on the October 1, 2020, PEP data submitted to the Department of Education.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. I 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. I then selected a sample of 22 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).

Comment: No exceptions were noted.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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 **Advocates for Innovative Schools, Inc. d/b/a Robert Russa Moton Charter School**, as required by Louisiana Revised Statute 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.

Roslyn J. Johnson, LLC

Certified Public Accountant

Baton Rouge, Louisiana
December 3, 2021

Roslyn J. Johnson, LLC
Certified Public Accountant

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2021

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

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

Schedule 2 (Formerly Schedule 6) Class Size Characteristics

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

ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2021**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,282,136	
Other Instructional Staff Activities	471,786	
Instructional Staff Employee Benefits	868,095	
Purchased Professional and Technical Services	60,601	
Instructional Materials and Supplies	14,782	
Instructional Equipment	1,428	
	<u>1,428</u>	
Total Teacher and Student Interaction Activities		\$ 2,698,828

Other Instructional Activities	0	-
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Pupil Support Activities	118,230	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		118,230

Instructional Staff Services	58,941	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		<u>58,941</u>

School Administration	641,462	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>641,462</u>

Total General Fund Instructional Expenditures		<u>\$ 3,517,461</u>
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Total General Fund Equipment Expenditures		<u>\$ -</u>
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Certain Local Revenue Sources

Local Taxation Revenue:

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

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	<u>\$ -</u>	

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue		<u>\$ -</u>
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Nonpublic Transportation Revenue		<u>\$ -</u>
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ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(d/b/a Robert Russa Moton Charter School)
New Orleans, Louisiana

Class Size Characteristics
As of October 1, 2020

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	21.2%	18	62.4%	53	15.3%	13	1.2%	1
Elementary Activity Classes	0.0%	0	72.7%	8	9.1%	1	18.2%	2
Middle/Jr. High	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Middle/Jr. High Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0
High	0.0%	0	0.0%	0	0.0%	0	0.0%	0
High Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Combination	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Combination Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.