

MORRIS JEFF COMMUNITY SCHOOL

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2021 AND 2020



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Morris Jeff Community 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.

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, the *Louisiana Governmental Audit Guide*, 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 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, 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.



To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Morris Jeff Community 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.

Prior Period Financial Statements

The financial statements of as of Morris Jeff Community School as of June 30, 2021, were audited by other auditors whose report dated December 14, 2020, expressed an unmodified opinion on those statements.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head (Schedule "1"), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, on our consideration of Morris Jeff Community 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 Morris Jeff Community 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 Morris Jeff Community School's internal control over financial reporting and compliance.

December 20, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 5,060,381	\$ 4,590,828
Grant receivables	305,695	323,546
Other receivables	75,975	120,825
Prepaid expenses	<u>58,786</u>	<u>43,385</u>
 Total current assets	 <u>5,500,837</u>	 <u>5,078,584</u>
<u>PROPERTY AND EQUIPMENT, NET</u>		
	<u>-</u>	<u>-</u>
<u>OTHER ASSETS:</u>		
Deposits	<u>34,587</u>	<u>34,587</u>
 Total other assets	 <u>34,587</u>	 <u>34,587</u>
 Total assets	 <u>\$ 5,535,424</u>	 <u>\$ 5,113,171</u>
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 586,898	\$ 483,299
Accrued expenses	488,505	483,569
Current portion of long-term debt	<u>856,627</u>	<u>856,627</u>
 Total current liabilities	 <u>1,932,030</u>	 <u>1,823,495</u>
<u>NON-CURRENT LIABILITIES:</u>		
Long-term debt, net of current portion	<u>863,073</u>	<u>863,073</u>
 Total non-current liabilities	 <u>863,073</u>	 <u>863,073</u>
 Total liabilities	 <u>2,795,103</u>	 <u>2,686,568</u>
<u>NET ASSETS:</u>		
Without donor restrictions	2,712,583	2,422,145
With donor restrictions	<u>27,738</u>	<u>4,458</u>
 Total net assets	 <u>2,740,321</u>	 <u>2,426,603</u>
 Total liabilities and net assets	 <u>\$ 5,535,424</u>	 <u>\$ 5,113,171</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
State/Local per pupil aid	\$ 13,860,395	\$ -	\$ 13,860,395
Federal grants	2,035,435	-	2,035,435
Grants and contributions	90,694	51,500	142,194
Other state funds	292,136	-	292,136
Other income	209,443	-	209,443
Net assets released from restrictions	<u>28,220</u>	<u>(28,220)</u>	<u>-</u>
 Total revenue	 <u>16,516,323</u>	 <u>23,280</u>	 <u>16,539,603</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	8,512,529	-	8,512,529
General non-instructional	3,077,776	-	3,077,776
Special education	2,932,844	-	2,932,844
Special programs	495,997	-	495,997
Administration	<u>1,206,739</u>	<u>-</u>	<u>1,206,739</u>
 Total expenses	 <u>16,225,885</u>	 <u>-</u>	 <u>16,225,885</u>
 Change in net assets	 290,438	 23,280	 313,718
 Net assets, beginning of year	 <u>2,422,145</u>	 <u>4,458</u>	 <u>2,426,603</u>
 Net assets, end of year	 <u>\$ 2,712,583</u>	 <u>\$ 27,738</u>	 <u>\$ 2,740,321</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
State/Local per pupil aid	\$ 12,707,204	\$ -	\$ 12,707,204
Federal grants	1,547,210	-	1,547,210
Grant and contributions	110,909	-	110,909
Other state funds	770,360	-	770,360
Other income	477,520	-	477,520
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenue	 <u>15,613,203</u>	 <u>-</u>	 <u>15,613,203</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	7,511,978	-	7,511,978
General non-instructional	2,989,004	-	2,989,004
Special education	2,995,091	-	2,995,091
Special programs	461,482	-	461,482
Administration	<u>1,015,014</u>	<u>-</u>	<u>1,015,014</u>
 Total expenses	 <u>14,972,569</u>	 <u>-</u>	 <u>14,972,569</u>
 Change in net assets	 640,634	 -	 640,634
 Net assets, beginning of year	 <u>1,781,511</u>	 <u>4,458</u>	 <u>1,785,969</u>
 Net assets, end of year	 <u>\$ 2,422,145</u>	 <u>\$ 4,458</u>	 <u>\$ 2,426,603</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services					Total
	General Instructional	General Non-Instructional	Special Education	Special Program	General Administration	
Salaries	\$ 5,348,552	\$ 498,901	\$ 1,805,686	\$ 374,341	\$ 483,746	\$ 8,511,226
Employee benefits	404,514	66,913	154,485	25,260	56,147	707,319
Retirement	1,360,920	155,441	420,906	90,234	103,564	2,131,065
Payroll taxes	93,412	6,854	29,116	5,166	6,721	141,269
Purchased education services	356,728	53,835	286,850	-	1,390	698,803
Other purchased professional services	-	-	-	-	31,894	31,894
Purchased technical services	105,892	-	-	-	4,141	110,033
Utilities	-	219,542	-	-	-	219,542
Repairs and maintenance	-	851,455	-	-	-	851,455
Rentals	-	44,442	-	-	-	44,442
Student transportation	-	607,338	197,203	-	-	804,541
Insurance	-	276,942	-	-	-	276,942
Communciations	5,286	-	-	-	68,816	74,102
Advertising, printing, and binding	1,763	36	-	-	2,341	4,140
Tuition	1,751	-	-	-	-	1,751
Food service	-	182,193	-	-	-	182,193
Travel	407	9,559	205	-	-	10,171
Miscellaneous purchased services	49,084	-	5,000	-	3,865	57,949
Materials and supplies	770,032	72,655	33,393	996	154,909	1,031,985
Dues and fees	14,188	543	-	-	289,205	303,936
Miscellaneous	-	31,127	-	-	-	31,127
Total expenses	\$ 8,512,529	\$ 3,077,776	\$ 2,932,844	\$ 495,997	\$ 1,206,739	\$ 16,225,885

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services					Total
	General Instructional	General Non-Instructional	Special Education	Special Program	General Administration	
Salaries	\$ 4,746,110	\$ 470,908	\$ 1,755,201	\$ 337,176	\$ 451,502	\$ 7,760,897
Employee benefits	401,334	67,739	180,735	26,729	31,194	707,731
Retirement	1,199,354	115,343	446,302	87,666	101,788	1,950,453
Payroll taxes	94,206	6,599	27,993	4,593	6,278	139,669
Purchased education services	487,338	107,857	407,753	-	534	1,003,482
Other purchased professional services	-	-	-	-	38,424	38,424
Purchased technical services	66,305	-	-	-	1,573	67,878
Utilities	-	197,723	-	-	-	197,723
Repairs and maintenance	-	805,693	-	-	-	805,693
Rentals	-	38,221	-	-	-	38,221
Student transportation	90,361	431,124	136,293	-	-	657,778
Insurance	-	195,348	-	-	-	195,348
Communications	5,993	-	-	-	30,385	36,378
Advertising, printing, and binding	-	-	-	-	2,547	2,547
Tuition	-	-	-	-	-	-
Food service	-	442,083	-	-	-	442,083
Travel	11,361	-	4,656	-	305	16,322
Miscellaneous purchased services	-	-	-	-	25,529	25,529
Materials and supplies	371,171	82,494	36,158	5,318	46,405	541,546
Dues and fees	38,445	-	-	-	275,162	313,607
Miscellaneous	-	27,872	-	-	3,388	31,260
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 7,511,978</u>	<u>\$ 2,989,004</u>	<u>\$ 2,995,091</u>	<u>\$ 461,482</u>	<u>\$ 1,015,014</u>	<u>\$ 14,972,569</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

MORRIS JEFF COMMUNITY SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 313,718	\$ 640,634
Adjustments to reconcile change in net assets to cash and cash equivalents from (used for) operating activities:		
(Increase) decrease in:		
Grant receivables	17,851	219,895
Other receivables	44,850	(77,888)
Prepaid expenses	(15,401)	4,816
Deposits	-	(14,590)
Increase (decrease) in:		
Accounts payable	103,599	(108,268)
Accrued expenses	<u>4,936</u>	<u>133,556</u>
Net cash from operating activities	<u>469,553</u>	<u>798,155</u>
<u>CASH FLOWS (USED FOR) FINANCING ACTIVITIES:</u>		
Proceeds from issuance of long-term debt	<u>-</u>	<u>1,719,700</u>
Net cash from financing activities	<u>-</u>	<u>1,719,700</u>
Net increase in cash and cash equivalents	469,553	2,517,855
Cash and cash equivalents, beginning of year	<u>4,590,828</u>	<u>2,072,973</u>
Cash and cash equivalents, end of year	<u>\$ 5,060,381</u>	<u>\$ 4,590,828</u>

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Morris Jeff Community School (the School) was created as a non-profit corporation under the laws of the State of Louisiana (the State) on February 13, 2009. The School serves eligible elementary through high school students. The School applied to the Louisiana Board of Elementary and Secondary Education (BESE) to operate a Type 5 charter school. On June 8, 2010, BESE approved the charter of the School. The charter was approved for a renewal term of six years in December, 2014. As of December 10, 2020, the School received a five-year operating agreement starting on July 2021.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the School is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: 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.

Net assets with donor restrictions: 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, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the School considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2021 and 2020, no allowance is recorded as management considers all receivables to be fully collectible

Property and Equipment

Property and equipment are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair value as of the date received. The School maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Depreciation is computed using the straight-line method over the following useful lives:

Machinery and equipment	5 years
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Assets acquired with Louisiana Department of Education (LDOE) funds are owned by the School while used in the purpose for which it was purchased. The LDOE however, has a reversionary interest in these assets. Should a charter not be renewed, title in any assets purchased with these funds will revert to the appropriate agency.

Compensated Absences

All ten-month employees accrue 11 days of accrued leave each year and can rollover up to five days into the next fiscal year. If these rolled over days are not used before the end of the next fiscal year, then the employees can be paid out on a maximum of five accrued leave days from the prior fiscal year. All twelve-month employees accrue 14 days of accrued leave and can roll over up to seven days that must be used before the end of the next fiscal year. There is no payment upon separation of employment of unused accrued leave for either class of employees.

As of June 30, 2021 and 2020, the School had no obligations of accumulated unpaid leave.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. The School reports contributions of cash or other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statement of activities.

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when otherwise earned under the terms of the grants.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Expenses

The cost of program and supporting services has been summarized on a functional basis in the statements of activities. This requires the allocation of certain costs based on total program costs and estimates made by management. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and employee benefits have been allocated based on time and effort. Rent and depreciation have been allocated based on square footage. All other allocated expenses have been allocated based on actual expenses incurred.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to income tax unless it has unrelated trade or business income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2021 and 2020, the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2018 and later remain subject to examination by the taxing authorities.

New Accounting Pronouncement

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "*Revenue from Contracts with Customers (Topic 606)*." The ASU and all subsequently issued clarifying ASUs superseded the revenue recognition requirements and most industry-specific guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes a cohesive set of disclosure requirements that will provide users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The School has adjusted the presentation of these statements accordingly. The ASU have been applied retrospectively to all periods presented. The adoption had no material impact on the School's financial statements.

Date of Management Review

Subsequent events have been evaluated through December 20, 2021, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At June 30, 2021 and 2020, the School has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures of \$5,442,051 and \$5,035,199, respectively. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

The School's objective is to maintain liquid assets without donor restrictions sufficient to cover 60 days of program expenditures. The School regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days utilizing the resources the School has available. In addition, the School operates with a budget to monitor sources and uses of funds throughout the year.

(3) GRANTS RECEIVABLES

Grants receivable at June 30, June 30, 2021 and 2020 consist of the following:

	2021	2020
Due from State of Louisiana	\$ 305,695	\$ 323,546
	\$ 305,695	\$ 323,546

(4) PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2021 and 2020:

	2021	2020
Machinery and equipment	\$ 40,869	\$ 40,869
Less accumulated depreciation	(40,869)	(40,869)
Total	\$ -	\$ -

There was no depreciation expense for the years ended June 30, 2021 and 2020.

(5) LINE OF CREDIT

The School had a line of credit in the amount of \$70,000. The interest rate on the line of credit was 5.5% at June 30, 2021. There was no outstanding balance due on the line of credit as of June 30, 2021 and 2020. The line of credit expired on March 31, 2021 and was renewed for an additional year to March 31, 2022.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(6) LONG-TERM DEBT

As of April 17, 2020, the School was granted a \$1,719,700 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The School is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Proceeds from the loan are eligible for forgiveness if the School maintains employment levels during its 10-month covered period and uses the funds for certain payroll, rent and utility expenses. No amount of this loan has been recorded as forgiveness of debt for the years ended June 30, 2021 and 2020. To the extent that the School is not granted forgiveness, the School will be required to repay any remaining balance, plus interest accrued at 1% annum in monthly payments beginning on November 17, 2020. Principal and interest payments will be required through the maturity date of April 17, 2022. See Note 10 for information on the forgiveness of this note subsequent to year end.

(7) RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consisted of the following at June 30th:

	<u>2021</u>	<u>2020</u>
Cafeteria equipment	\$ -	\$ 4,458
Knorr Foundation	5,238	-
NSNO Learning Accelerator	<u>22,500</u>	<u>-</u>
Net assets with donor restrictions	<u>\$ 27,738</u>	<u>\$ 4,458</u>

Net assets with donor restrictions were released from restrictions for the following purposes during the years ended June 30th:

	<u>2021</u>	<u>2020</u>
Cafeteria equipment	\$ 4,458	\$ -
Knorr Foundation	9,762	-
Band equipment	4,000	-
IQI Grant – science materials	<u>10,000</u>	<u>-</u>
Net assets released from restrictions	<u>\$ 28,220</u>	<u>\$ -</u>

(8) CONCENTRATIONS OF CREDIT RISK

The School maintains cash in bank accounts in excess of insured limits periodically. The School has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. All of the School’s cash is maintained in collateralized bank accounts.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(9) RETIREMENT PLAN

The School offers eligible employees the opportunity to participate in the Teachers' Retirement System of Louisiana (TRSL), a state retirement plan. The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. 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, P.O. Box 94123, Baton Rouge, LA 70804-9123. Pertinent information relative to the plan follows:

All eligible full-time employees of the School are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State Statute. TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their last three years of compensation and the number of years that the employee was contributing to TRS.

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. The rate is 25.8% of annual eligible contributions for the TRSL and is established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contributions for the years ended June 30, 2021 and 2020 were \$2,131,065 and \$1,950,453, respectively.

(10) SUBSEQUENT EVENTS

On October 6, 2021, the School was approved of loan forgiveness for the PPP loan for a total forgiveness amount of \$1,719,700.

(11) CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2021, the School updated its functional expense methodology to reflect changes in its account and reporting structure. The effect of the change was to increase administration functional expenses by \$276,468 and decrease program expenses by \$276,468 for the year ended June 30, 2020.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(12) LEASE COMMITMENTS

The School entered into a lease agreement with the Orleans Parish School Board (OPSB) for the campus located at 211 S. Lopez Street, New Orleans, Louisiana. The lease is classified as an operating lease and was effective July 1, 2018 and extends through June 30, 2021. As of June 2021, the lease has been renewed for an additional five years through June 30, 2026 for the elementary and high school. The lease for the middle school was renewed for additional two years through June 30, 2023. In consideration of the use of the premises, the School pays OPSB an annual fee consisting of the per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management, and flood insurance of all OPSB-controlled facilities. The total use fee for the years ended June 30, 2021 and 2020 was \$205,731 and \$143,982, respectively.

The School entered into two lease agreements for 4 copiers starting on October 9, 2017 and expiring on June 17, 2021. Monthly lease payments total \$1,064. Upon expiration, the School entered into two new lease agreements for four copiers starting on July 8, 2021 and expiring January 7, 2025. Monthly lease payments total \$755.

The School entered into two lease agreements for 215 Chromebooks copiers starting on June 12, 2019 and expiring on May 12, 2024. Monthly lease payments total \$1,514.

Total rent expense under the above copier and Chromebooks' leases totaled \$40,766 and \$38,221 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments under the operating leases are as follows:

2022	\$	21,569
2023		17,448
2024		12,555
2025		<u>2,265</u>
	\$	<u>81,875</u>

(13) GRANT PROGRAM CONTINGENCIES

The School participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2021 and 2020 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the School.

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(14) ECONOMIC DEPENDENCY

The School receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP) funding for the years ended June 30, 2021 and 2020 totaled \$13,860,395 and \$12,707,204, respectively. Funding from various federal grants are passed through the State of Louisiana and totaled \$2,066,843 and \$1,547,210 for the years ended June 30, 2021 and 2020, respectively. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the School receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the School will receive in fiscal year 2022 relating to its grant awards.

(15) NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2016-02, “*Leases*.” This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. This Update has been deferred multiple times, most recently through ASU 2020-05 “*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*.” Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. The School plans to adopt this Update as applicable by the effective date.

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2020-07, “*Not-for-Profit Entities (Topic 958)*.” This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders’ concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP’s programs and other activities. This Update will be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The School plans to adopt this Update as applicable by the effective date.

(16) RECLASSIFICATIONS

Certain reclassifications have been made to the prior year’s financial statements to conform to the presentation of the current year financial statements. The reclassifications have no effect on net assets.

SUPPLEMENTARY INFORMATION

MORRIS JEFF COMMUNITY SCHOOL
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2021

	Patricia Perkins
Time served	07/01/20 through 06/30/21 <hr style="border: 0.5px solid black;"/>
Salary	\$ 145,915
Benefits - insurance	6,686
Benefits - retirement	37,646 <hr style="border: 0.5px solid black;"/>
Total compensation, benefits, and other payments	\$ 190,247 <hr style="border: 1px solid black;"/>

**OTHER REPORTING REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



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

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Morris Jeff Community School (a non-profit 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, and have issued our report thereon dated December 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morris Jeff Community 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 Morris Jeff Community School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Morris Jeff Community 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.

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



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morris Jeff Community 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 Morris Jeff Community 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 Morris Jeff Community School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 20, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

SINGLE AUDIT SECTION



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

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Morris Jeff Community School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Morris Jeff Community School's major federal programs for the year ended June 30, 2021. Morris Jeff Community School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Morris Jeff Community School's compliance.



To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Morris Jeff Community 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 our audit of compliance, we considered Morris Jeff Community School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Morris Jeff Community 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.

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



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

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

December 20, 2021
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

MORRIS JEFF COMMUNITY SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	\$ 511,548
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	\$ 339,076
Special Education - Preschool Grants	84.173	<u>9,255</u>
Total Special Education Cluster		348,331
English Language Acquisition State Grants	84.365	12,664
Improving Teacher Quality State Grants	84.367	74,194
Comprehensive Literacy Development	84.371	19,545
Student Support and Academic Enrichment Program	84.424	38,590
COVID-19 Governor's Emergency Education Relief Fund	84.425C	11,495
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	<u>417,303</u>
Total Education Stabilization Fund		428,798
Career and Technical Education - Basic Grants to States	84.048	<u>12,378</u>
Total U.S. Department of Education		<u>1,446,048</u>
<u>U.S. Department of Agriculture</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Child Nutrition Cluster		
School Breakfast Program	10.553	52,118
National School Lunch Program	10.555	<u>174,817</u>
Total Child Nutrition Cluster		<u>226,935</u>
Total U.S. Department of Agriculture		<u>226,935</u>
Total expenditures of federal awards		<u>\$ 1,672,983</u>

(See Independent Auditors' Report)

MORRIS JEFF COMMUNITY SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SCOPE OF AUDIT PURSUANT TO *GOVERNMENT AUDITING STANDARDS AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)*

All federal grant operations of Morris Jeff Community School are included in the scope of the single audit. Those programs which were major grants and selected for specific testing were:

Education Stabilization Fund (AL Nos. 84.425C and 84.425D)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2021.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when Morris Jeff Community School has met the qualifications for the respective grants.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2021.

NOTE 4 – INDIRECT COST RATE

Morris Jeff Community School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

MORRIS JEFF COMMUNITY SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Morris Jeff Community School.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Morris Jeff Community School were reported in the 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*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for Morris Jeff Community School expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were the Education Stabilization Fund (AL Nos. 84.425C and 84.425D).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Morris Jeff Community School was determined to be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2021.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the consolidated financial statements for the year ended June 30, 2021.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings related to major federal awards programs for the year ended June 30, 2021.

MORRIS JEFF COMMUNITY SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

**I. INTERNAL CONTROL AND COMPLIANCE MATERIAL
TO THE FINANCIAL STATEMENTS**

Not applicable

**II. INTERNAL CONTROL AND COMPLIANCE MATERIAL
TO THE FEDERAL AWARDS**

Not applicable

III. MANAGEMENT LETTER

Not applicable

**SCHEDULES REQUIRED BY STATE LAW
(PERFORMANCE STATISTICAL DATA)**



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

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Morris Jeff Community School for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of Morris Jeff Community School is responsible for its performance and statistical data.

Morris Jeff Community School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514.I. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - a. Total General Fund Instructional Expenditures,
 - b. Total General Fund Equipment Expenditures,
 - c. Total Local Taxation Revenue,
 - d. Total Local Earnings on Investment in Real Property,
 - e. Total State Revenue in Lieu of Taxes,
 - f. Nonpublic Textbook Revenue,
 - g. Nonpublic Transportation Revenue.

Exceptions: None



To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

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 a sample of 10 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

Exceptions: None

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 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Exceptions: None

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 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Exceptions: None

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



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
Morris Jeff Community School
New Orleans, Louisiana

We are required to be independent of Morris Jeff Community School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope and results of testing performed on the performance and statistical data accompanying the annual financial statements of the Morris Jeff Community School, as required by Louisiana Revised Statute 24:514.I, and for the information and use of Morris Jeff Community School, the Louisiana Department of Education, and the Louisiana Legislative Auditor. Accordingly, this report is not suitable for any other purpose and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

December 20, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

MORRIS JEFF COMMUNITY SCHOOL
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2021

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	Column A	Column B
General fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 4,778,405	
Other instructional staff salaries	1,420,644	
Instructional staff employee benefits	2,424,186	
Purchased professional and technical services	55,010	
Instructional materials and supplies	371,374	
Total teacher and students interaction activities		\$ 9,049,619
Other instructional activities		50,880
Pupil support services	408,274	
Less: Equipment for pupil support services	-	
Net pupil support services		408,274
Instructional staff services	775,839	
Less: Equipment for instructional staff services	-	
Net instructional staff services		775,839
School administration	1,150,958	
Less: equipment for school administration	-	
Net school administration		1,150,958
Total general fund instructional expenditures (total of column B)		\$ 11,435,570
Total General fund equipment expenditures		\$ -
<u>CERTAIN LOCAL REVENUE SOURCES</u>		
Total local taxation revenue		\$ -
Total local earnings on investment in real property		\$ -
Total state revenue in lieu of taxes		\$ -
Nonpublic textbook revenue		\$ -
Nonpublic transportation revenue		\$ -

(See Independent Accountants' Report on Applying Agreed-Upon Procedures)

MORRIS JEFF COMMUNITY SCHOOL
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2021
AS OF OCTOBER 1, 2020

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary		-		-		-		-
Elementary/Activity Classes		-		-		-		-
Middle/Jr. High		-		-		-		-
Middle/Jr. High Activity Classes		-		-		-		-
High		-		-		-		-
High Activity Classes		-		-		-		-
Combination	44%	231	31%	163	16%	83	2%	8
Combination Activity Classes	5%	26	2%	11	0%	2		-

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.