

EISNERAMPER

**ADVOCATES FOR ACADEMIC EXCELLENCE
IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025



**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors for
Advocates for Academic Excellence in Education, Inc. and Affiliate
d/b/a Benjamin Franklin High School
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Advocates for Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School (the School) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the consolidated financial statements).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the School as of June 30, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of board of directors; schedule of compensation, benefits, and other payments to agency head or chief executive officer; and the 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*, are presented for purposes of additional analysis and are 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.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
January 28, 2026

EISNERAMPER
LLP



ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.
AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

CURRENT ASSETS

Cash	\$ 1,756,097
Investments	8,706,272
Grants receivable	534,357
Other receivables	543,820
Prepaid expenses	<u>214,860</u>
Total current assets	<u>11,755,406</u>

FIXED ASSETS

Property and equipment, net	<u>2,357,576</u>
Total assets	<u><u>\$ 14,112,982</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 718,608
Accrued expenses	<u>675,216</u>
Total current liabilities	<u>1,393,824</u>

NET ASSETS

Without donor restrictions	9,953,792
With donor restrictions	<u>2,765,366</u>
Total net assets	<u>12,719,158</u>
Total liabilities and net assets	<u><u>\$ 14,112,982</u></u>

The accompanying notes are an integral part of this consolidated financial statement.

ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.
AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and support:			
State and local public school funding	\$ 13,542,956	\$ -	\$ 13,542,956
Grants			
Federal grants	1,181,123	-	1,181,123
Other state grants	278,706	-	278,706
Contributions and donations	674,719	1,188,280	1,862,999
In-kind donations	48,269	-	48,269
Student class and course fees	472,855	-	472,855
Student activity fees	267,453	-	267,453
Interest income	448,962	-	448,962
Miscellaneous revenue	280,935	-	280,935
Net assets released from restrictions	339,947	(339,947)	-
	<u>17,535,925</u>	<u>848,333</u>	<u>18,384,258</u>
Expenses:			
Program services			
Student instruction and activities	12,603,710	-	12,603,710
Support services:			
Management and general	3,109,274	-	3,109,274
Fundraising	1,098,174	-	1,098,174
Total support services	<u>4,207,448</u>	<u>-</u>	<u>4,207,448</u>
	<u>16,811,158</u>	<u>-</u>	<u>16,811,158</u>
Total expenses	<u>16,811,158</u>	<u>-</u>	<u>16,811,158</u>
Change in net assets	724,767	848,333	1,573,100
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>\$ 9,229,025</u>	<u>\$ 1,917,033</u>	<u>\$ 11,146,058</u>
<u>NET ASSETS AT END OF THE YEAR</u>	<u>\$ 9,953,792</u>	<u>\$ 2,765,366</u>	<u>\$ 12,719,158</u>

The accompanying notes are an integral part of this consolidated financial statement.

ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.
AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program	Support		Total
		Management & General	Fundraising	
Salaries	\$ 6,689,464	\$ 1,514,185	\$ 139,918	\$ 8,343,567
Employee benefits	2,198,957	490,214	71,013	2,760,184
Materials and supplies	781,239	148,130	133,081	1,062,450
Professional services	665,939	128,828	51,294	846,061
Repairs and maintenance services	494,773	164,924	-	659,697
Insurance	298,741	99,580	-	398,321
Admin fees	201,288	67,096	-	268,384
Utilities	159,341	53,114	-	212,455
Communications	37,972	12,657	61	50,690
Textbooks and workbooks	189,541	-	-	189,541
Depreciation	91,996	30,665	-	122,661
Dues and fees	116,493	161,356	183,370	461,219
Building Lease	125,986	41,995	-	167,981
Technology	181,852	144,218	-	326,070
Meal/travel	125,079	12,386	16,564	154,029
Printing	38,743	12,914	-	51,657
Student transportation	94,540	-	-	94,540
Advertising	77,924	25,975	10,703	114,602
Food services	30,750	-	-	30,750
Other expenses	3,092	1,037	492,170	496,299
Total expenses	\$ 12,603,710	\$ 3,109,274	\$ 1,098,174	\$ 16,811,158

The accompanying notes are an integral part of this consolidated financial statement.

ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.
AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 1,573,100
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	122,661
Contributions restricted to endowment	(40,100)
Investment income, net of fees	(406,034)
(Increase) decrease in assets:	
Grants receivable	99,069
Student, class and course fees receivable	(543,820)
Promises to give	42,455
Prepaid expenses	81,712
Increase (decrease) in liabilities	
Accounts payable	(720,514)
Accrued expenses	13,318
	<hr/>
Net cash provided by operating activities	221,847

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(1,050,000)
Purchases of property and equipment	(1,204,485)
	<hr/>
Net cash used in investing activities	(2,254,485)

CASH FLOWS FROM FINANCING ACTIVITIES:

Collections of contributions restricted to endowment	40,100
	<hr/>
Net cash provided by financing activities	40,100
	<hr/>
Net decrease in cash	(1,992,538)
Cash and cash equivalents, beginning of year	3,748,635
	<hr/>
Cash and cash equivalents, end of year	\$ 1,756,097
	<hr/> <hr/>

The accompanying notes are an integral part of this consolidated financial statement.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

Advocates for Academic Excellence in Education, Inc., (AAEE, Inc.) which governs Benjamin Franklin High School (the School), was incorporated on October 25, 2005. The School opened in 1957 as a magnet high school under the Orleans Parish School Board (OPSB). In January 2006, the School became a charter school, maintaining its admission requirements under the governance of AAEE, Inc. and OPSB as the Local Education Authority (LEA). On May 10, 2017, the School amended its operating agreement with OPSB so that, effective July 1, 2017, the School began to operate as its own LEA. The School's mission is to prepare students of high academic achievement to be successful in life. The School provides student instruction and activities programs.

Friends of Franklin (Friends), a nonprofit corporation organized on a non-stock basis, was incorporated in December 2018 as a supporting organization for the benefit of AAEE, Inc. and the School.

OPSB approved the granting of a charter to the School effective June 21, 2011, for a period ending on June 30, 2021, to operate a Type 3 charter school, as defined in Louisiana Revised Statute 17:3973(3)(b). On December 8, 2020, the OPSB voted to renew the charter for a period of 10 years, expiring on June 30, 2031.

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Consolidated Financial Statement Presentation

The accompanying consolidated financial statements include the accounts of AAEE, Inc. and its affiliate, Friends. AAEE, Inc. has controlling financial interest through direct ownership of a majority voting interest in Friends and has an economic interest in Friends. Furthermore, Friends and AAEE, Inc. entered into a memorandum of understanding (MOU) on May 14, 2020, which was superseded by a cooperative endeavor agreement (CEA) on October 15, 2020. The CEA defines the relationship between Friends and AAEE, Inc. Significant intercompany transactions and balances have been eliminated in the consolidation. During the year ended June 30, 2025, Friends' only activity included investments, donations and contributions.

Basis of Accounting and Presentation of Net Assets

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the consolidated financial statements. The consolidated financial statements of the School are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP), whereby revenues are recognized when earned and expenses are recognized when incurred.

The School reports information regarding its consolidated financial position and activities according to two classes of net assets:

Net assets without donor restrictions - Net assets for general use that are not subject to donor-imposed restrictions.

Net assets with donor restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Once expended for their restricted purpose, these restricted net assets are released to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restriction. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash balances represent cash available for general operating purposes and amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution. For purposes of the statement of cash flows, the School classifies all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. For the year ended June 30, 2025, the School did not have any cash equivalents.

Investments

Investments in marketable securities are stated at their fair value in the consolidated statement of financial position. Unrealized gains and losses on investments recorded at fair value are included in the consolidated statement of activities and changes in net assets as increases or decreases in net assets with or without donor restrictions, depending on the classification. All short-term, highly liquid investments, excluding cash equivalents, are classified as investments.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the School, that is, in substance, unconditionally. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises are recorded net of an allowance for doubtful pledges estimated by management. As of June 30, 2025, there were no promises to give. Promises to give are due within one year.

Property and Equipment

Property and equipment are stated at cost. Repairs and maintenance are charged to expense as incurred. Major additions to physical plant and facilities and betterments with a purchased cost greater than \$5,000 are capitalized. Property and equipment donated to the School are capitalized at the fair market value at the date donated. Depreciation is provided utilizing the straight-line method over estimated useful lives of the assets as follows:

Building and building improvements	10 – 39 years
Machinery and equipment	5 – 20 years
Site improvements	10 – 20 years

Compensated Absences

The School provides compensated absences in the form of Personal Time Off and Family Leave. All ten-month employees are provided ten days of paid leave per year to be used for illness or personal leave. All eleven-month employees receive eleven days of paid leave for illness or personal leave. All twelve-month employees receive ten days of paid leave for illness or personal leave and fifteen vacation days. Family Leave is provided when an employee qualifies for leave under the Family Medical Leave Act. The employee shall be eligible to receive 60% of their regular pay for a period of up to two weeks per the rolling period specified by the School's policy. Personal time off is allocated July 1st of each year and is available through June 30th of the following year. Employees are able to bank five unused days from year to year, up to a maximum of ten days. Any remaining time is reported to the Teachers' Retirement System of Louisiana for service credit calculation purposes at retirement.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

All other employees receive the same provisions for compensated absences as those under the collective bargaining agreement (CBA), with the exception of the executive cabinet members, who receive twenty vacation days. Compensated absences and the related benefits accrued as of June 30, 2025, totaled \$181,403, which are included in accrued expenses on the consolidated statement of financial position.

Revenues, Grants, and Other Support

State and Local Public School Funding

The School's primary source of funding is through the State Public School Fund. The School receives funding per eligible student in attendance on October 1st, payable in monthly installments. The October 1st student count is audited by the Louisiana Department of Education. Adjustments are made in the following year.

Federal and Other State Grants

Federal and other state grants are generally on a cost reimbursement basis. An accrual is made when eligible expenses are incurred. Revenues from federal and other state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant-related expenses by the School, or when earned under the terms of the grant.

Contributions

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

In-Kind Donations

The School records the in-kind value of goods and services contributed to support various activities as support at their estimated fair value on the date of receipt and related expenses when utilized.

Other Income

Revenue from other sources, including student activity fees, class fees, course fees, fundraisers, and student meals are recorded and recognized as revenue in the period in which the School provides the service at the amount that reflects the consideration to which the School expects to be entitled for providing the service or good, typically in the period received.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Contracts vs. Contributions

The School follows GAAP in their assessment of whether a revenue is an exchange transaction (contract) or contribution (non-contract) and considers factors including commensurate value received, reciprocity, and donor-imposed conditions. Performance obligations are determined based on the nature of the services provided by the School. Revenue from performance obligations satisfied over time is recognized based on actual time incurred in relation to the total expected period of providing the service, which is deemed to be the school year, which is simultaneous with the fiscal year. The School believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to student activity fees, class fees, and course fees. The School measures the performance obligation throughout the school year. Revenue for performance obligations satisfied at a point in time, which include mainly income from meals and are generally immaterial, are recognized when services are provided. The School determines the transaction price based on standard charges for goods or services provided to students, which are predetermined by management. Fees are generally nonrefundable, and total refunds issued annually are considered negligible.

Functional Expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated statement of functional expenses present 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 allocation if an expenditure benefits more than one program or function. The payroll expenses that are allocated are allocated based on management's estimate of periodic time and expense evaluations. The allocated non-payroll expenses are allocated based on management's knowledge that roughly 75% of the operations can be attributed to providing an education to the students enrolled. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the School. Expenses allocated during the year ended June 30, 2025 include salaries, employee benefits, payroll tax expense, repairs and maintenance, utilities, advertising, communications, technology, printing, insurance, and depreciation.

Fundraising Expenses

All expenses associated with fundraising activities are expensed as incurred, including those expenses related to fundraising appeals in a subsequent year.

Advertising

Advertising costs, which are included in program expenses, fundraising expenses, and general and administrative expenses, are expensed as incurred.

Reversionary Interest in Funds and Assets

All funds received from the Louisiana Department of Education (LDOE), United States Department of Education (USDOE), or other state or federal agency are funds earned by the School to be used for the purpose for which they were acquired. These agencies, however, have a reversionary interest in these funds, as well as any assets acquired with these funds. Should the charter agreement not be renewed, those funds and assets will transfer to the appropriate agency.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Income Taxes

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The School believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the consolidated financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

2. Liquidity and Availability

The School's objective is to maintain liquid financial 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 financial resources the School has available. In addition, the School operates with a budget to monitor sources and uses of funds throughout the year.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consist of the following as of June 30, 2025:

Cash	\$	1,756,097
Investments		8,706,272
Grants receivable		534,357
Other receivables		<u>543,820</u>
Total	\$	<u>11,540,546</u>

3. Property and Equipment

Property and equipment consist of the following as of June 30, 2025:

Building and building improvements	\$	1,345,696
Machinery and equipment		453,191
Site improvements		685,094
Construction in progress		<u>701,970</u>
		3,185,951
Less: accumulated depreciation		<u>(828,375)</u>
Property and equipment, net	\$	<u>2,357,576</u>

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Investments

The following is a summary of investments at June 30, 2025:

Money Market Funds	\$	18,575
Exchange Traded Funds		552,834
Government Securities		8,134,863
	\$	<u>8,706,272</u>

These investments are designed to achieve an optimal balance of upside return potential and downside protection. The investments offer a diversified strategy protecting and preserving the School's capital and equity strategy providing long-term growth.

5. Fair Value of Financial Instruments

The School applies FASB ASC Topic 820, Fair Value Measurement, for all financial assets and liabilities that are recognized at fair value in the financial statements on a recurring basis (at least annually). Under ASC Topic 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC Topic 820 establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Level 3: Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The following is a description of the valuation methodologies used for assets measured at fair value.

Money Market Funds: Valued at the fund's published net asset value (NAV), which is based on the fair value of the underlying securities as determined by the fund's pricing policies.

Exchange Traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Government Securities: The fair value of U.S. Treasury Securities is the market value based on quoted market prices, when available. If listed prices or quoted prices are not available, fair value is based on externally developed models that use observable inputs due to the limited market activity of the obligation.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Fair Value of Financial Instruments (continued)

The valuation of the School's assets measured at fair value on a recurring basis at June 30, 2025 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Money Market Funds	\$ 18,575	-	-	\$ 18,575
Exchange Traded Funds	552,834	-	-	552,834
Government Securities	-	8,134,863	-	8,134,863
Total investments	<u>\$ 571,409</u>	<u>\$ 8,134,863</u>	<u>\$ -</u>	<u>\$ 8,706,272</u>

6. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted by donors for specific programs, purposes, or to assist specific departments of the School or are subject to the passage of time. These restrictions are considered to expire when payments for restricted purposes are made or by occurrence of the passage of time, unless perpetually restricted. Net assets with donor restrictions as of June 30, 2025, are available for the following purposes:

Restricted for purpose:

Athletics	\$ 488,977
Class reunion gifts	314,689
After school activities	209,412
Academics	208,710
Scholarship	172,299
Auditorium	56,847
STEAM building	50,000
Gala fundraiser	21,724
Library	17,760
Professional Development	13,482
Other	8,234
Guidance	5,572
Teacher Appreciation	3,227
Building maintenance	3,143
IT	2,326
Disaster relief	210
Promises to give, the proceeds from which have been restricted by donors for:	
STEAM building	534,675
Maintenance	42,455
Academics	15,350
Restricted by time:	
Annual Giving	1,750
Restricted in perpetuity:	
Perpetual endowment	<u>594,524</u>
Total	<u>\$ 2,765,366</u>

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Net Assets with Donor Restrictions (continued)

As discussed in Note 7, perpetually restricted net assets of \$594,524 as of June 30, 2025, relate to an operating endowment to be held in perpetuity. The income from endowment investments is expendable for operations.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended June 30, 2025:

Building maintenance	\$	259,488
After school activities		33,215
Academics		16,695
Gala fundraiser		13,506
Athletics		8,795
Classroom needs		3,930
IT		2,673
Class reunion gifts		1,245
Restricted by time:		
Annual Giving		400
Total	\$	<u>339,947</u>

7. Endowment Fund

The Endowment

The School's endowment fund (the Endowment) was established primarily for the purpose of maintaining the School and consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The School accounts for donor-restricted funds consistent with the provisions of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the State of Louisiana.

The School's Board of Directors seek to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, the School retains in perpetuity (a) the original value of initial and subsequent gifts donated to the Endowment, and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the School in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the School considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the School and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the School; and
- The investment policies of the School.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Endowment Fund (continued)

Endowment net assets were composed of \$594,524 of donor-restricted funds as of June 30, 2025. Changes in endowment net assets for the year ended June 30, 2025, were as follows:

	<u>With Donor Restrictions</u>
Net assets, beginning of year	\$ 554,424
Contributions	40,100
Net assets, end of year	<u>\$ 594,524</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or UPMIFA requires the School to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations. There were no such deficiencies as of June 30, 2025.

Return Objectives and Risk Parameters

The cumulated endowment of over \$500,000 is invested with the intention of optimizing general market returns with a minimum amount of investment and management expenses. The objectives are to preserve the capital and maintain liquidity, while minimizing risk.

Strategies Employed for Achieving Objectives

The endowment funds are invested in an interest-bearing account.

Spending Policy and How Investment Objectives Relate to the Spending Policy

Spending of interest earned by the endowment funds will be generally related to the operation of the School.

8. In-Kind Donations

During the year ended June 30, 2025, the School received contributions of donated goods and services as follows:

Services	\$ 22,855
Robotics grant	17,500
Equipment and supplies	5,270
Musical instruments	2,500
Food	144
	<u>\$ 48,269</u>

All donated assets were utilized by the School's programs and supporting services. There were no donor-imposed restrictions associated with donated assets. All donated assets are valued at their fair market price at the time of donation after the Development Department receives notification of donation.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Retirement Plan

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of 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. At June 30, 2025, the TRSL was 80.3% funded.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

For the year ended June 30, 2025, participants were required to contribute 8% of their annual covered payroll to the plan, and the School was required to contribute 21.51% of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement System's Actuarial Committee. For the year ended June 30, 2025, the School's contributions to this plan totaled \$1,784,805.

10. Union Contracts

On May 15, 2014, the Board of Directors voted to voluntarily recognize the United Teachers of New Orleans, Local 527, LFT, AFT, AFL-CIO (the Union) as the exclusive bargaining representative for the purpose of negotiating a collective bargaining agreement (CBA) under a voluntary recognition agreement to be negotiated by the board president and subject to board approval. On March 19, 2015, the School's Board and the Union finalized the CBA with an initial three-year term including the June 30, 2015, fiscal year and ending June 30, 2017. Since September 29, 2017, the contract has been renewed every four years, with agreements executed on September 29, 2017, August 18, 2021, and August 8, 2025, covering terms through April 15, 2029.

As part of the CBA, the School is required to provide certain compensation and benefits to eligible bargaining unit employees, including:

- A salary that is determined using a salary scale approved by the Union and based on years of relevant experience and level of education;
- Provisions for personal leave days as compensated absences (Note 1);
- Continuing to pay 100% of the premium costs up to \$630 (\$7,560 annual) for medical, dental, and vision coverage; and
- Continuing to provide retirement benefits through TRSL or as provided by applicable law.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. School Operations / Leasehold Interest

Effective January 1, 2006, the School entered into an agreement with the OPSB which allows the School to use the facilities and its contents located at 2001 Leon C. Simon Drive or any other locations as may be approved by the School and the OPSB. On June 21, 2011, the OPSB voted to renew the agreement for a period of ten years through June 30, 2021. On December 8, 2020, the OPSB voted again to renew the agreement for a period of ten years through June 30, 2031.

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. If capital improvements are made by the School with non-public funds to any site which it operates, and the charter contract is revoked or terminated, the School will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to the OPSB at the time this agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

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.

The School entered into a separate lease agreement with the University of New Orleans (UNO), a related party, for additional classroom space. UNO is considered a related party as the president of UNO, or their designee, is a board member for the School. On August 1, 2022, the lease was extended through July 31, 2023. The lease required monthly payments of \$5,984 during the lease period. On August 1, 2023, the lease was further extended through July 31, 2026. The lease required monthly payments of \$6,648 during the lease period. On August 1, 2024, the lease was amended to reduce the period of the lease. The lease will terminate July 31, 2025. The lease requires monthly payments of \$14,666 during the lease period. Future minimum lease payments under this lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 14,666
Total	\$ 14,666

12. Concentrations of Risk

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be recovered. The School periodically maintains cash in bank accounts in excess of insured limits. However, the School has a written policy for custodial credit risk requiring collateralization of uninsured cash deposits. The School has not experienced any losses and does not believe that significant credit risk exists as a result of its cash management practices.

The School received a substantial amount of its revenue through grants awarded by the federal, state, and local governments for the year ended June 30, 2025, which totaled \$15,002,785, or 82%, of total revenue.

All students of the School live within Orleans Parish and employees live within the Greater New Orleans area.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. Risks, Uncertainties, and Risk Management

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/student injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2025.

The School's concentrations due to significant state and federal funding make it reasonably possible that the School is vulnerable to the risk of a near-term significant impact. Additionally, it is reasonably possible that estimates made in the consolidated financial statements have been, or will be, materially and adversely impacted in the near-term as a result of these conditions.

14. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, January 28, 2026, and determined that no events occurred that require disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.
AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL
SCHEDULE OF BOARD OF DIRECTORS
YEAR ENDED JUNE 30, 2025

<u>AAEE Board Members</u>	<u>Compensation</u>
Dr. Alexis Parent-Ferrouillet, President	\$ -
Ms. Jill E. Condon, Treasurer	\$ -
Ms. Charmaine Cooper Hussain, Secretary	\$ -
Mr. Sean A. Blondell	\$ -
Ms. Alea M. Cot	\$ -
Ms. Shaneika J. Dabney-Henderson	\$ -
Dr. Jawan Brown-Alexander	\$ -
Mr. Timothy Duncan	\$ -
Mrs. Jennifer J. Kottler	\$ -
Mr. Mark G. Rubin	\$ -
Mr. Jonathan L. Levy	\$ -
Ms. Dorothy A. Malik	\$ -
Mr. Todd G. Ragusa	\$ -
Mr. Jeffrey Seymour	\$ -
Mr. Mitchell W. Turnbough	\$ -
Ms. Kathy E. Johnson	\$ -
Mr. Brian Johnson	\$ -
<u>Friends of Franklin Board Members</u>	
Ms. Alea M. Cot, President, AAEE Trustee	\$ -
Mr. Jonathan L. Levy, Treasurer, AAEE Trustee	\$ -
Ms. Debroah Thurber, Secretary, Independent Trustee	\$ -
Mr. Sean A. Blondell, AAEE Trustee	\$ -
Mr. Richard Chen, Independent Trustee	\$ -
Ms. Charmaine Cooper Hussain, AAEE Trustee	\$ -
Ms. Sandra Levy, Independent Trustee	\$ -
Mr. Mitchell W. Turnbough, AAEE Trustee	\$ -

See independent auditors' report.

ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.
AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED JUNE 30, 2025

Agency Head:
 Alexander Jarrell, Head of School

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 222,000
Benefits - Retirement	65,512
Benefits - Insurance	23,561
Other reimbursements	1,841
Benefits - Medicare	3,219
Benefits - Unemployment Insurance	1,176
Benefits - Workers Compensation	344
	<u>\$ 317,653</u>

See independent auditors' report.

**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 Advocates for Academic Excellence in Education, Inc. and Affiliate
d/b/a Benjamin Franklin High School

We have audited, 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 (*Government Auditing Standards*), the consolidated financial statements of Advocates for Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School (the School) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets, 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 January 28, 2026.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
January 28, 2026

EISNERAMPER
LLP



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors of Advocates for Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Advocates for Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School's (the School) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2025. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our 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, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*") ; 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

EisnerAmper LLP

EISNERAMPER LLP
Metairie, Louisiana
January 28, 2026

EISNERAMPER
LLP



ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.
AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Grantor Project Number	Federal Expenditures
<u>U.S. Department of Education</u>			
Passed through the Louisiana Department of Education Title I Grants to Local Education Agencies	84.010A	S010A180018	\$ 236,453
Special Education Cluster (IDEA) Special Education - Grants to States - IDEA, Part B	84.027A	H027A180033	220,894
Supporting Effective Instruction State Grants	84.367A	S367A180017	55,147
Student Support and Academic Enrichment Program	84.424A	S42A180019	318,492
Education Stabilization Fund - COVID-19			
Elementary and Secondary School Emergency Relief III Formula	84.425U	S425U210003	259,342
Elementary and Secondary School Emergency Relief II Incentive	84.425U	S425U210003	56,089
Elementary and Secondary School Emergency Relief III EB Interventions	84.425U	S425U210003	34,706
Total Education Stabilization Fund - COVID-19			<u>350,137</u>
Total Louisiana Department of Education			<u>1,181,123</u>
Total U.S. Department of Education			<u>1,181,123</u>
Total Federal Assistance Expended			<u>\$ 1,181,123</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School's (the School) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 1 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Relationship to Basic Financial Statements

Federal awards are included in federal grants revenue in the Statement of Activities and Changes in Net Assets.

(4) Amounts Passed Through to Subrecipients

The School did not pass through any federal funding to subrecipients.

(5) De Minimis Cost Rate

The School did not elect to use the up to 15-percent de minimis indirect cost rate as allowed in the Uniform Guidance.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section I. Summary of Independent Auditors' Results

Consolidated Financial Statements

- | | |
|---|---------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | None |
| b. Significant deficiency(ies) identified? | None Reported |
| 3. Noncompliance material to the consolidated financial statements noted? | None |

Federal Awards

- | | |
|---|---------------|
| 1. Type of auditors' report issued on compliance for major program: | Unmodified |
| 2. Internal control over major program: | |
| c. Material weakness(es) identified? | None |
| d. Significant deficiency(ies) identified? | None Reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | None |

Identification of major program:

 Education Stabilization Fund – COVID-19 84.425U

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as a low-risk auditee? Yes

Section II. Findings Relating to the Consolidated Financial Statements Reported in Accordance with Government Auditing Standards

None

Section III. Findings and Questioned Costs Related to Federal Awards

None

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**Section II. Findings Relating to the Consolidated Financial Statements Reported in Accordance with
*Government Auditing Standards***

None

Section III. Findings and Questioned Costs Related to Federal Awards

None

EISNERAMPER

**ADVOCATES FOR ACADEMIC EXCELLENCE
IN EDUCATION, INC. AND AFFILIATE
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**AGREED-UPON PROCEDURES PERFORMED AND
ASSOCIATED FINDINGS**

JUNE 30, 2025



**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
d/b/a BENJAMIN FRANKLIN HIGH SCHOOL**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of the Directors of Advocates for Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Advocates for Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School (the School) for the fiscal period July 1, 2024 through June 30, 2025. The School's management is responsible for those C/C areas identified in the SAUPs.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the School for the fiscal period July 1, 2024 through June 30, 2025. 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.

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

The purpose of this report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.



EISNERAMPER LLP

Metairie, Louisiana

January 28, 2026

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE
d/b/a BENJAMIN FRANKLIN HIGH SCHOOL
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exception noted.

ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exception noted.

iii. **Disbursements**, including processing, reviewing, and approving

No exception noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exception noted.

v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exception noted.

vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exception noted.

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- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exception noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The Ethics procedures are not required to be performed for non-profit entities for this agreed upon procedures engagement; therefore, these procedures were not performed. However, the School does have a documented Ethics policy.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The School does not have any debt; therefore, it does not have written policies covering debt service.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exception noted. Benjamin Franklin High School does have policies and procedures over information technology disaster recovery and business continuity, but it does not include information on (3) periodic testing/ verification that backups can be restored, or (4) use of antivirus software on all systems. The remaining elements are included in the School's policy.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Prevention of Sexual Harassment procedures are not required to be performed for non-profit entities for this agreed upon procedures engagement; therefore, these procedures were not performed. However, the School does have a documented Title IX policy covering sexual harassment.

2) Board or Finance Committee

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

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- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of eight bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected five bank accounts (one main operating and four randomly) and obtained the bank reconciliations for the month ending April 2025, resulting in five bank reconciliations obtained and subjected to the below procedures.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
No exception noted.
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
No exception noted.
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
No exception noted.

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4) Collections (excluding electronic funds transfers)

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

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5) *Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by "Written Policies and Procedures", procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

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- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

The Ethics procedures below are not required to be performed for non-profit entities for this agreed upon procedures engagement; therefore, these procedures were not performed.

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

Debt service is not applicable to the School as it is a non-profit entity with no debt; therefore, these procedures were not performed.

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/Business Continuity

Procedures were not performed in the current year (Year 2) in accordance with LLA guidelines.

Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- A. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 - Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

14) Prevention of Sexual Harassment

The Prevention of Sexual Harassment procedures below are not required to be performed for non-profit entities for this agreed upon procedures engagement; therefore, these procedures were not performed.

- A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

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- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

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MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
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Schedule B

Written Policies & Procedures

Management has reviewed and will address the exceptions noted above.