

**NEW ORLEANS COLLEGE PREPARATORY  
ACADEMIES  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
New Orleans College Preparatory Academies  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of New Orleans College Preparatory Academies (a non-profit organization), which comprise the statements of financial position as of June 30, 2021, and the related 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.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Orleans College Preparatory Academies as of June 30, 2021, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Schedule of Compensation, Benefits and other Payments to the School Leader, 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.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2021, on our consideration of New Orleans College Preparatory Academies' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 New Orleans College Preparatory Academies' 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 New Orleans College Preparatory Academies' internal control over financial reporting and compliance.



Daigrepoint & Brian, APAC  
Baton Rouge, LA

November 30, 2021

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021**

**ASSETS**

**Current Assets**

Cash	\$ 3,803,244
Governmental grant receivables	2,447,565
Investments	210,427
Total Current Assets	<u>6,461,236</u>

**Property and Equipment**

Buildings and improvements	1,323,973
Furniture and equipment	437,813
	<u>1,761,786</u>
Accumulated depreciation	(1,166,582)
Net Property and Equipment	<u>595,204</u>

Total Assets	<u><u>\$ 7,056,440</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 1,917,566
Salaries and benefits payable	95,805
PPP loan second round, current portion	138,748
Note payable, current portion	76,485
Total Current Liabilities	<u>2,228,604</u>

**Long Term Liabilities**

PPP loan second round, net of current	1,549,129
Note payable, net of current	526,970
Total Long Term Liabilities	<u>2,076,099</u>

Total Liabilities	4,304,703
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Net Assets Without Donor Restrictions	<u>2,751,737</u>
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Total Liabilities and Net Assets	<u><u>\$ 7,056,440</u></u>
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See accompanying notes and independent auditors' report.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Minimum Foundation Program	\$ 6,474,692	\$ -	\$ 6,474,692
Federal grants	4,974,299	-	4,974,299
State grants	345,139	-	345,139
Contributions	564,445	-	564,445
Tuition	443,447	-	443,447
PPP loan forgiveness, first round	1,683,801	-	1,683,801
Other income	179,665	-	179,665
<b>Total Revenues</b>	<b>14,665,488</b>	<b>-</b>	<b>14,665,488</b>
<b>EXPENSES</b>			
<b>Program Services:</b>			
Regular education programs	3,430,565	-	3,430,565
Special education programs	1,592,376	-	1,592,376
Other instructional programs	1,145,220	-	1,145,220
Special programs	1,526,805	-	1,526,805
Pupil support services	721,021	-	721,021
Instructional staff services	622,749	-	622,749
School administration	1,511,117	-	1,511,117
Student transportation services	578,666	-	578,666
Food services	304,300	-	304,300
Career and technical education programs	71,701	-	71,701
<b>Total Program Services</b>	<b>11,504,520</b>	<b>-</b>	<b>11,504,520</b>
<b>Management and General:</b>			
General administration	143,163	-	143,163
Business administration	363,536	-	363,536
Operations and maintenance of plant	1,567,464	-	1,567,464
Central services	310,098	-	310,098
<b>Total Management and General</b>	<b>2,384,261</b>	<b>-</b>	<b>2,384,261</b>
<b>Total Expenses</b>	<b>13,888,781</b>	<b>-</b>	<b>13,888,781</b>
<b>CHANGE IN NET ASSETS</b>	<b>776,707</b>	<b>-</b>	<b>776,707</b>
Net assets - beginning of year	1,975,030	-	1,975,030
<b>Net assets - end of year</b>	<b>\$ 2,751,737</b>	<b>\$ -</b>	<b>\$ 2,751,737</b>

See accompanying notes and independent auditors' report.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Total</u>
Salaries & wages	\$ 6,772,223	\$ 940,685	\$ 7,712,908
Supplies	627,315	241,756	869,071
Transportation	793,131	-	793,131
Employee benefits	620,998	98,704	719,702
Curriculum & assessment	484,830	207,783	692,613
Payroll taxes	510,275	57,758	568,033
Professional development	418,923	119,154	538,077
Repairs & maintenance	319,117	136,765	455,882
Utilities	300,322	128,709	429,031
Other	113,448	200,907	314,355
Food service	212,675	91,146	303,821
Technical & professional services	140,969	36,206	177,175
Insurance	86,527	86,524	173,051
Depreciation expense	71,927	28,033	99,960
Interest	23,635	10,131	33,766
Athletic expense	8,205	-	8,205
	<u>\$ 11,504,520</u>	<u>\$ 2,384,261</u>	<u>\$ 13,888,781</u>

See accompanying notes and independent auditors' report.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ 776,707
<u>Adjustments to reconcile net revenues over expenses to net cash used in operating activities:</u>	
Depreciation	99,960
Unrealized investment gain	(37,624)
PPP loan forgiveness, first round	(1,683,801)
Increase in accounts receivable	(1,270,921)
Decrease in prepaid expense	1,186
Increase in accounts payable	1,696,143
Increase in salaries and benefits payable	15,519
Total adjustments	<u>(1,179,538)</u>
Net cash used in operating activities	(402,831)
Proceeds from PPP loan, second round	1,687,877
Payments on short term debt	<u>(72,581)</u>
Net cash provided by financing activities	<u>1,615,296</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,212,465</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>2,590,779</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u><u>\$ 3,803,244</u></u></b>
<b>SUPPLEMENTAL DISCLOSURE</b>	
Cash paid for interest during the year	<u><u>\$ 33,766</u></u>

See accompanying notes and independent auditors' report.



**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies**

(a) Organization

New Orleans College Preparatory Academies (the School) was created as a non-profit organization under the laws of the State of Louisiana on November 6, 2006. The School applied to the Louisiana Board of Elementary and Secondary Education (BESE) to operate a Type 5 charter school. On May 24, 2007, BESE approved the charter under the jurisdiction of the Orleans Parish School Board (OPSB). The charter agreements for the Cohen College Prep and Crocker College Prep locations expire(d) on June 30, 2023 and June 30, 2021, respectively. The Crocker Prep charter was not renewed for subsequent years.

The School also operates the John W. Hoffman Early Learning which serves children from six weeks old through Pre-K. In total, the School serves eligible students from pre-K through twelfth grade.

(b) Basis of Accounting

The financial statements of the School have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the School to report information regarding its financial position and activities according to the following net asset classifications:

*Net Assets Without Donor Restrictions* are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

*Net Assets With Donor Restrictions* are net assets subject to donor-imposed restrictions that may or will be met, either by actions of the organization, and/or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

(c) Revenues

The School receives the majority of its revenue from the Minimum Foundation Program (MFP). The amount of the MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes. The allocation calculation is primarily based on the student enrollment at the School and is recognized monthly when received.

Federal and state funds are passed through the Louisiana Department of Education and the OPSB. The School's federal grant funding is on a cost reimbursement basis and is recognized as earned once the expenditures have been incurred, at which time all performance obligations have also been satisfied.

The School also receives revenue from tuition fees. Tuition is charged on a per student basis and is received primarily from other schools that outsource educational services to the School, due to the inability to accommodate their current enrollment levels. The amount recorded is based on the student enrollment from other schools and is recognized monthly as services are rendered.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies (continued)**

(c) Revenues (continued)

The School receives private funding in the form of contributions from various individuals and entities. Contributions are recognized when an unconditional promise to give is received. Conditional promises to give, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. The School does not have any activity that would give rise to variable consideration.

(d) Cash

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

(e) Accounts Receivable

Accounts receivable represent amounts due under federal and state grant programs and, at times, contributions. The grant programs are reimbursable in nature and revenue is recognized as a receivable once the expenditures are incurred. Receivables are written off when deemed uncollectible by management and recoveries, if any, are recorded when received.

(f) Functional Expenses

The School allocates its expenses on a functional basis between program service or general and administrative. Expenses that can be identified with the school curriculum are allocated directly according to their natural expense classification. Other expenses are allocated between program service and general and administrative based on management's estimate of time, percentage, or square footage used, among other factors.

(g) Income Taxes

The School accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The School files information returns in the U.S. federal jurisdiction. The School is not subject to U.S. federal income tax examinations by tax authorities beyond three years from the filing of those returns.

(h) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2021**

**1. Summary of Significant Accounting Policies (continued)**

(i) Recently Issued Accounting Standards

In May 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates, (ASU) No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement. The ASU added new disclosure requirements related to Level 3 fair value measurements, eliminated disclosure requirements related to transfers between Level 1 and Level 2 fair value measurements, eliminated disclosure requirements for changes in unrealized gains and losses included in earnings for recurring Level 3 fair value measurements, and modified certain other disclosures, among other requirements. The School adopted the new standard effective July 1, 2020.

**2. Concentrations**

At various times during the year, the School maintained cash balances in its bank accounts in excess of FDIC insurable limits. In evaluating this credit risk, the School periodically evaluated the stability of these financial institutions.

The School receives the majority of its operating revenue from the State of Louisiana in the form of MFP funding. The School also receives grants from federal agencies, state agencies, and private foundations. The percentage of revenue and receivables from these sources in excess of 10% is as follows:

	Revenue	Receivables
MFP	44%	N/A
Federal Grants	34%	94%
PPP loan forgiveness	11%	N/A

**3. Leases**

The School occupies a building that is owned by the OPSB and the Recovery School District, and does not make any monthly lease payments. In exchange for occupying the building at no cost the School receives lower MFP funding per student.

**4. Retirement Plan**

The School offers a 403(b) retirement plan for eligible employees. Eligibility to participate in the plan is based on the employee's age, length of service, and various other factors. For those that are eligible, the School will match up to 4% of the employee's contributions. The School does not participate in the Teachers' Retirement System of Louisiana (TRSL).

For the year ended June 30, 2021 the amount paid related to the School's retirement plan was \$82,168.

**5. Compensated Absences**

Employees earn paid time off based on various factors such as length of service and job title. Any unused paid time off is paid out at the end of the year and does not carry over to the following year. Therefore, there are no compensated absences accrued at June 30, 2021.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2021**

**6. Property and Equipment**

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the least term. The useful lives range from three to forty years. The School's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred.

All assets acquired with public funds are the property of the School for the duration of the charter. If the charter is revoked or surrendered, or the School otherwise ceases to operate, all assets purchased with public funds will automatically revert to full ownership by BESE or the appropriate agency.

Depreciation expense was \$99,960 for the year ended June 30, 2021.

**7. Commitments and Contingencies**

The School receives grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the School's management that its compliance with the terms of the grant will not result in any disallowed costs.

**8. Liquidity and Availability of Financial Assets**

The following reflects the School's financial assets as of the statement of financial position date within one year of the statement of financial position date.

Financial Assets at Year End:

Cash	\$ 3,803,244
Governmental grant receivable	2,447,565
Investments	210,427
Available line of credit	500,000
Financial Assets Available for General Expenditures	<u>\$ 6,961,236</u>

As part of the School's liquidity management, cash is kept in a checking account that can be accessed to meet daily needs of the organization. In addition, the School has a \$500,000 line of credit it could draw upon in the event of an unanticipated liquidity need.

**9. Subsequent Event**

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through November 30, 2021, which is the date the financial statements were available to be issued.

**10. Line of Credit**

The School has an available line of credit with a bank in the amount of \$500,000. There was no outstanding balance as of June 30, 2021. Interest on the line of credit was computed at a variable interest rate of 3.295%. The line is secured by the School's deposit account at the financial institution. At June 30, 2021, the balance was \$0.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**11. Notes Payable**

**PPP Loans**

During fiscal year 2020, the School received the first round of the Payroll Protection Program (PPP) loans from the SBA in the amount of \$1,683,801. The purpose of this loan was to maintain payroll and other operating expenses during the COVID-19 pandemic. The terms of the loan allowed for the amount to be forgiven in full if the funds are used for payroll and certain operating expenses. As of June 30, 2021, the first round of PPP loan financing has been forgiven and \$1,683,801 has been recorded as revenue.

The second round of PPP loan financing was received on April 14, 2021 and has not been forgiven for the year ending June 30, 2021. No interest or principal payments are required until February 2022, at which point monthly interest and principal payments will be required on any amount outstanding that has not been forgiven. Interest is assessed at 1%. The balance due as of June, 30, 2021 was \$1,687,877.

**Construction Loan**

The School obtained a loan in the maximum amount of \$826,000 for the acquisition, development, and construction of an early learning center. The note matures on February 22, 2028, bears interest at 5.25% per annum, and is collateralized by the above mentioned property. The note calls for monthly payments of \$8,862 with a final balloon payment for the amount of any outstanding principal and interest. For the year ended June 30, 2021 interest expense was \$33,766. The balance on the note at June 30, 2021 was \$603,455.

Estimated payments for the years next five fiscal years for all loans and thereafter are as follows:

	PPP		
	Construction	2nd Round	Total
Fiscal Year 2022	\$ 76,485	\$ 138,748	\$ 215,233
Fiscal Year 2023	80,598	331,965	412,563
Fiscal Year 2024	84,933	335,300	420,233
Fiscal Year 2025	89,501	338,668	428,169
Fiscal Year 2026	94,314	342,070	436,384
Thereafter	177,624	201,126	378,750
	<u>\$ 603,455</u>	<u>\$ 1,687,877</u>	<u>\$ 2,291,332</u>

**12. Fair Value Measurement**

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets that have the highest priority, and Level 3 inputs have the lowest priority. The School uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the School measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The School measures common stocks at using Level 1 metrics. Therefore, they are recorded at fair market value. The fair value of the School's investments are \$210,427 as of June 30, 2021. No Level 2 or 3 inputs were available to the School.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**13. Reclassification**

Certain amounts included in the prior year financial statements have been reclassified to confirm to the current year presentation.

**14. Risk and Uncertainties**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the responses to curb its spread, the School is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

**15. Prior Period Adjustment**

An error resulting in the misstatement of financial statement categories as presented below in the June 30, 2020 financial statements was identified during the current year. The error was related to an overstatement of change in net assets due to the omission of several expenses related to grant expenditures during fiscal year 2020. The effect of the restatement on the financial statements as of June 30, 2020 is summarized below:

	<u>As Previously Stated</u>	<u>Adjustment</u>	<u>June 30, 2020 As Restated</u>
Net assets without donor restrictions	\$ 2,070,506	\$ (95,476)	\$ 1,975,030

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>			
<b>Passed Through LA Department of Education</b>			
Child Nutrition Cluster			
National School Lunch Program	10.555	N/A	\$ 151,286
Child and Adult Care Food Program	10.558	N/A	298,501
Total Child Nutrition Cluster			<u>449,787</u>
<b>Total Passed Through LA Department of Education</b>			<u>449,787</u>
<b>Total U.S. Department of Agriculture</b>			449,787
<b>U.S. Department of Health and Human Services</b>			
<b>Passed Through Kingsley House</b>			
Head Start	93.600	N/A	<u>471,130</u>
<b>Total Passed Through Kingsley House</b>			471,130
<b>Passed Through Boys Town</b>			
Head Start	93.600	N/A	<u>172,674</u>
<b>Total Passed Through Boys Town</b>			<u>172,674</u>
<b>Total U.S. Department of Health and Human Services</b>			643,804
<b>U.S. Department of Education</b>			
<b>Passed Through OPSB</b>			
Title I Grants to Local Educational Agencies	84.010	N/A	667,523
Career and Technical Education - Basic Grants to States	84.048	N/A	9,065
Twenty-First Century Community Learning Centers	84.287	N/A	590,360
School Improvement Grants	84.377	N/A	286,317
Education Stabilization Fund:			
Governor's Emergency Education Relief Fund	84.425C	N/A	34,124
Elementary and Secondary School Emergency Relief Fund	84.425D	N/A	1,530,673

See accompanying notes to schedule of expenditures of federal awards.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Number	Pass-through Entity Identifying Number	Total Federal Expenditures
Special Education Cluster			
Special Education - Grants to States	84.027	N/A	395,219
Special Education - Preschool Grants	84.173	N/A	1,248
Total Special Education Cluster			396,467
English Language Acquisition State Grants	84.365	N/A	34,761
Teacher and School Leader Incentive Grants	84.374	N/A	331,418
<b>Total Passed Through OPSB</b>			3,880,708
<b>Total U.S. Department of Education</b>			3,880,708
<b>Total Expenditures of Federal Awards</b>			\$ 4,974,299

See accompanying notes to schedule of expenditures of federal awards.



**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal activity of the School under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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). 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 OMB Circular A-122, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The School has elected not to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO THE SCHOOL LEADER  
FOR THE YEAR ENDED JUNE 30, 2021**

School Leader	J. Castro
Salary	\$ 165,855
Benefits - medical	<u>4,994</u>
	<u>\$ 170,849</u>

# DAIGREPONT & BRIAN

*A Professional Accounting Corporation*

*Certified Public Accountants*

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

Board of Directors  
New Orleans College Preparatory Academies  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Orleans College Preparatory Academies (a non-profit organization) (hereafter the School) which comprise the statement of financial position as of June 30, 2021, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Daigrepoint & Brian, APAC  
Baton Rouge, LA

November 30, 2021

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

Board of Directors  
New Orleans College Preparatory Academies  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited New Orleans College Preparatory Academies (hereafter the School), compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

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 programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

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

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

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

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.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Daigrepoint & Brian, APAC  
Baton Rouge, LA

November 30, 2021

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

We have audited the financial statements of New Orleans College Preparatory Academies, as of June 30, 2021, and for the year then ended, and have issued our report thereon dated November 30, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Uniform Guidance. Our audit of the financial statements as of June 30, 2021 resulted in an unmodified opinion.

**Summary of Auditors' Reports**

**A. Identification of Major Programs**

CFDA Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs	\$ 750,000
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Is the auditee a 'low risk' auditee as defined by the Uniform Guidance	Yes <u>  X  </u> No <u>      </u>
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**B. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control	
Material Weaknesses	Yes <u>      </u> No <u>  X  </u>
Significant Deficiencies	Yes <u>      </u> No <u>  X  </u>
Compliance with Provisions of Laws, Regulation, Contracts or Grant Agreements	Yes <u>      </u> No <u>  X  </u>

**C. Report on Each Major Federal Program and on Internal Control Over Compliance**

Internal Control	
Material Weaknesses	Yes <u>      </u> No <u>  X  </u>
Significant Deficiencies	Yes <u>      </u> No <u>  X  </u>

Type of Opinion on Compliance for Each Major Program	
Education Stabilization Fund	Unmodified

Are there findings required to be reported in accordance with the Uniform Guidance	Yes <u>      </u> No <u>  X  </u>
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**Findings - Financial Statement Audit**

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

**Questioned Costs**

There are no questioned costs for the year ended June 30, 2021.

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Summary of Prior Audit Findings**

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

**Summary of Prior Questioned Costs**

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



# DAIGREPONT & BRIAN

*A Professional Accounting Corporation*

*Certified Public Accountants*

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

Board of Directors  
New Orleans College Preparatory Academies

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of New Orleans College Preparatory Academies (a non-profit organization) and the Legislative Auditor, State of Louisiana, on the performance and statistical data accompanying the annual financial statements of New Orleans College Preparatory Academies for the fiscal year ended June 30, 2021; and to determine specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education in compliance with Louisiana Revised Statute 24:514.1. Management of New Orleans College Preparatory Academies is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

### Procedure #1

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

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

### Results of Procedure #1

In performing the testing on the sample of expenditures/revenues we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount.

*Class Size Characteristics (Schedule 2)*

### Procedure #2

We obtained a list of classes by school, school type, and class size as reported on the Schedule. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the Schedule.

## Results of Procedure #2

No discrepancies were noted between the classes reported on the Schedule and those in the roll books.

## Education Levels/Experience of Public School Staff (No Schedule)

### Procedure #3

We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing.

## Results of Procedure #3

No differences were noted between the PEP data information provided and the information in the personnel files.

## Public School Staff Data: Average Salaries (No Schedule)

### Procedure #4

We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalents, and obtained management's representation that the data/list was complete. We then selected 25 individuals, traced to each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

## Results of Procedure #4

No differences were noted between the salary information reported on the PEP data report provided by management and the supporting records.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of New Orleans College Preparatory Academies, as required by Louisiana Revised Statute 24:514.1, 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 Legislative Auditor as a public document.



Daigrepoint & Brian  
Baton Rouge, LA

November 30, 2021

NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
NEW ORLEANS, LA

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

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

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

Schedule 2 – Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
NEW ORLEANS, LA**

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

	<b>Column A</b>	<b>Column B</b>
<b><u>General Fund Instructional and Equipment Expenditures</u></b>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,566,779	
Other Instructional Staff Activities	1,147,821	
Instructional Staff Employee Benefits	836,096	
Purchased Professional and Technical Services	56,842	
Instructional Materials and Supplies	215,632	
Instructional Equipment	<u>-</u>	
Total Teacher and Student Interaction Activities		3,823,170
Pupil Support Activities	608,857	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		608,857
Instructional Staff Services	317,377	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		317,377
School Administration	1,310,704	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>1,310,704</u>
Total General Fund Instructional Expenditures		<u>\$ 6,060,108</u>
Total General Fund Equipment Expenditures		<u>\$ -</u>

See accompanying independent accountant's report on applying agreed-upon procedures

**NEW ORLEANS COLLEGE PREPARATORY ACADEMIES  
NEW ORLEANS, LA**

**Class Size Characteristics  
As of October 1, 2020**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	40%	82	59%	120	0%	-	1%	1
Elementary Activity Classes	38%	8	62%	13	0%	-	0%	-
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	93%	112	5%	7	2%	2	0%	-
High Activity Classes	94%	16	0%	-	6%	1	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

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