
LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors for
Lycée Français de la Nouvelle-Orléans
New Orleans, Louisiana

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Lycée Français de la Nouvelle-Orléans (a nonprofit organization) (Lycée) which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to Lycée's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lycée'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lycée Français de la Nouvelle-Orléans as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, Lycée adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities (Topic 958), “*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*,” as of July 1, 2019.

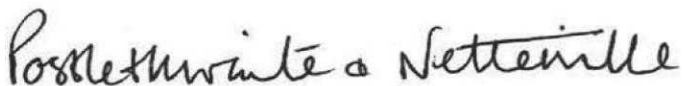
Our opinion is not modified with respect to this matter.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information included on pages 16 - 18 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the consolidated 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 December 18, 2020, on our consideration of Lycée’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 Lycée’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* and in considering Lycée’s internal control over financial reporting and compliance.



New Orleans, Louisiana
December 18, 2020

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------------------|---------------------|---------------------|
| <u>CURRENT ASSETS</u> | | |
| Cash | \$ 6,925,060 | \$ 3,344,130 |
| Accounts receivable, net | - | 35,431 |
| Grants receivable - due from private foundations | 96,250 | - |
| Grants receivable - due from government agencies | 272,090 | 170,663 |
| Prepaid expenses | 4,487 | 228,790 |
| | <hr/> | <hr/> |
| Total current assets | 7,297,887 | 3,779,014 |
| | <hr/> | <hr/> |
| Promises to give for long-term purposes, net | 204,925 | 331,607 |
| Cash restricted for long-term purposes | 95,372 | 258,466 |
| Property, plant, and equipment, net | 2,031,236 | 1,828,511 |
| | <hr/> | <hr/> |
| Total assets | <u>\$ 9,629,420</u> | <u>\$ 6,197,598</u> |

LIABILITIES AND NET ASSETS

| | | |
|---------------------------------------|---------------------|---------------------|
| <u>CURRENT LIABILITIES</u> | | |
| Accounts payable and accrued expenses | \$ 940,938 | \$ 681,965 |
| Deferred revenue | 52,285 | 112,834 |
| Paycheck Protection Program loan | 1,611,300 | - |
| | <hr/> | <hr/> |
| Total current liabilities | 2,604,523 | 794,799 |
| | <hr/> | <hr/> |
| Total liabilities | 2,604,523 | 794,799 |
| | <hr/> | <hr/> |
| <u>NET ASSETS</u> | | |
| Without donor restrictions | 5,993,571 | 4,754,389 |
| With donor restrictions | 1,031,326 | 648,410 |
| | <hr/> | <hr/> |
| Total net assets | 7,024,897 | 5,402,799 |
| | <hr/> | <hr/> |
| Total liabilities and net assets | <u>\$ 9,629,420</u> | <u>\$ 6,197,598</u> |

The accompanying notes are an integral part of these consolidated financial statements.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

| | 2020 | | | 2019 | | |
|-----------------------------------------|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenues and support: | | | | | | |
| Federal grants | \$ 610,485 | \$ - | \$ 610,485 | \$ 549,378 | \$ - | \$ 549,378 |
| State grants | 11,073,338 | - | 11,073,338 | 9,818,087 | - | 9,818,087 |
| Tuition and activity income | 358,873 | - | 358,873 | 513,732 | - | 513,732 |
| Contributions | 238,536 | 598,559 | 837,095 | 163,501 | 636,407 | 799,908 |
| Food service | 76,034 | - | 76,034 | 129,449 | - | 129,449 |
| Other income | 62,262 | - | 62,262 | 45,851 | - | 45,851 |
| Net assets released from restrictions | 215,643 | (215,643) | - | - | - | - |
| Total revenues and other support | 12,635,171 | 382,916 | 13,018,087 | 11,219,998 | 636,407 | 11,856,405 |
| Expenses: | | | | | | |
| Program services: | | | | | | |
| Elementary and kindergarten | 4,438,621 | - | 4,438,621 | 4,072,956 | - | 4,072,956 |
| Prekindergarten | 391,578 | - | 391,578 | 374,931 | - | 374,931 |
| Special education | 1,057,776 | - | 1,057,776 | 1,289,424 | - | 1,289,424 |
| Operations and maintenance | 618,034 | - | 618,034 | 958,276 | - | 958,276 |
| Extracurricular activities | 16,666 | - | 16,666 | 174,221 | - | 174,221 |
| Aftercare | 205,204 | - | 205,204 | 159,755 | - | 159,755 |
| Student services | 1,251,355 | - | 1,251,355 | 562,104 | - | 562,104 |
| Other program services | 572,879 | - | 572,879 | 273,956 | - | 273,956 |
| Total program services | 8,552,113 | - | 8,552,113 | 7,865,623 | - | 7,865,623 |
| Support services | 2,843,876 | - | 2,843,876 | 3,082,062 | - | 3,082,062 |
| Total expenses | 11,395,989 | - | 11,395,989 | 10,947,685 | - | 10,947,685 |
| Change in net assets | 1,239,182 | 382,916 | 1,622,098 | 272,313 | 636,407 | 908,720 |
| NET ASSETS AT BEGINNING OF YEAR | 4,754,389 | 648,410 | 5,402,799 | 4,482,076 | 12,003 | 4,494,079 |
| NET ASSETS AT END OF THE YEAR | \$ 5,993,571 | \$ 1,031,326 | \$ 7,024,897 | \$ 4,754,389 | \$ 648,410 | \$ 5,402,799 |

The accompanying notes are an integral part of these consolidated financial statements.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

| | 2020 | 2019 |
|------------------------------------------------------------------------------------------------|--------------|--------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | | |
| Change in net assets | \$ 1,622,098 | \$ 908,720 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation expense | 164,636 | 160,335 |
| Bad debt expense | 43,366 | 63,043 |
| Contributions for long term purposes | (48,974) | (636,407) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 104,538 | (41,174) |
| Grants receivable | (197,677) | 8,170 |
| Prepaid expenses | 224,303 | (168,124) |
| Accounts payable and accrued expenses | 258,973 | 24,645 |
| Deferred revenue | (60,549) | 101,769 |
| | 2,110,714 | 420,977 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u> | | |
| Purchases of property and equipment | (367,361) | (101,862) |
| | (367,361) | (101,862) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u> | | |
| Promises to give for long-term purposes | 63,183 | 243,800 |
| Paycheck Protection Program proceeds | 1,611,300 | - |
| | 1,674,483 | 243,800 |
| Net increase in cash | 3,417,836 | 562,915 |
| Cash, beginning of year | 3,602,596 | 3,039,681 |
| Cash, end of year | \$ 7,020,432 | \$ 3,602,596 |
| <u>RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION</u> | | |
| Cash for cash flow statement includes: | | |
| Cash | 6,925,060 | 3,344,130 |
| Cash restricted for long-term purposes | 95,372 | 258,466 |
| | \$ 7,020,432 | \$ 3,602,596 |

The accompanying notes are an integral part of these consolidated financial statements.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

Lycée Français de la Nouvelle-Orléans (Lycée or LFNO) was incorporated as an educational institution organized to create a top-notch academic and multicultural school environment to inspire its students to reach their full potential. Lycée commenced operations with the 2011-2012 school year. At June 30, 2020, Lycée offers classes in Pre-K4 through tenth grade organized per the French education model.

The Board of Elementary and Secondary Education (BESE) approved the granting of a charter to Lycée effective June 30, 2011 for an initial period ending on June 30, 2016, to operate a Type 2 Charter School, as defined in LA R.S. 17:3998(A)(2). This charter was renewed on July 1, 2016 for seven years ending on June 30, 2023.

During the year ended June 30, 2018, Amis du Lycée Français (Amis du Lycée) was incorporated as a supporting foundation organized to assist Lycée with fundraising.

During the year ended June 30, 2020, 1601 Leonidas LLC (1601 Leonidas) was formed to assist Lycée with the rehabilitation and development of a historic building located at 1601 Leonidas Street, New Orleans, Louisiana. The building will be used as a school building upon completion. In February 2020, Lycée contributed its interest in the property at 1609 Leonidas Street to 1601 Leonidas.

The consolidated financial statements include the accounts of Lycée, Amis du Lycée, and 1601 Leonidas (collectively, the Organization) because Lycée has a controlling financial interest in Amis du Lycée and is the sole corporate member of 1601 Leonidas. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation

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

US GAAP requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Donor restricted contributions are reported as increase 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 consolidated statements of activities.

Cash

Cash includes amounts on deposit at local financial institutions. The Organization holds no cash equivalents as of June 30, 2020 and 2019.

Accounts and Grants Receivable

Accounts receivable and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2020 and 2019, management has established an allowance of \$0 and \$69,107, respectively, for estimated uncollectible receivables.

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets or decreases of liabilities depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At June 30, 2020 and 2019, management has established an allowance of \$112,473 and \$0, respectively, for estimated uncollectible promises to give.

Property, Plant, and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000 and expenditures for repairs and improvements that materially prolong the useful lives of assets capitalized. Property is recorded at historical cost or, if donated, at the approximate fair value at the date of donation. Depreciation of these assets is provided on the straight-line basis over their estimated useful lives of 5 years for technology, 5-7 years for leasehold improvements, 7-10 years for furniture and equipment and 39 years for building. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met.

Revenues from federal and state grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has met the performance requirements and/or incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. Lycée recognized as revenue all funds related to these grants during the year ended June 30, 2020.

Tuition revenue includes school year tuition for Pre-K4, summer camp tuition, and fees related to afterschool care services. Tuition received in advance is deferred to the applicable period in which the related services are performed.

Contributed Services

Lycée receives services donated by parents and community members in carrying out Lycée's mission; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by US GAAP.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the disclosures and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statement of activities. Note 7 presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the instructional and supporting services benefited. The majority of costs incurred are charged directly to the function that benefits from the expense. Key expense categories that are allocated include salaries and benefits as well as occupancy. Salaries and benefits are allocated based on time and effort. Occupancy is allocated based on use of space.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Tax Exempt Status

Lycée and Amis du Lycée are nonprofit organizations exempt from income taxes under provisions of the Internal Revenue Service Code Sections 501(c) (3) and the Louisiana Revised Statutes; therefore, no provision has been made for federal and state income taxes. 1601 Leonidas LLC is incorporated as a low profit limited liability company subject to Internal Revenue Service Code Section 170(c)(2)(b) and Louisiana 2010, Act 417.

Lycée applies a “more-likely-than-not” recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% percent likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, Lycée has reviewed its tax positions and determined there were no outstanding or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities.

Reclassification

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the current year presentation.

Recent Accounting Pronouncements – Adopted

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08 “Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This ASU was adopted for the Organization’s year ending June 30, 2020. The implementation of this new standard did not have a material impact on the measurement or recognition of revenue.

Accounting Pronouncements Issued but not yet Adopted

The FASB has issued ASU 2014-09, *Revenue from Contracts with Customers*, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Organization’s fiscal year ending June 30, 2021.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Issued but not yet Adopted (continued)

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations of the requirement to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of retained earnings. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Organization's fiscal year ending June 30, 2023.

In September 2020, the FASB issued ASU 2020-07 Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The FASB ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021.

The Organization is currently evaluating the impact these pronouncements will have on the consolidated financial statements.

2. Liquidity and Availability

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments.

LFNO receives the majority of its revenue from the State of Louisiana Minimum Foundation Program Funding and from various federal grants passed through the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments.

The Organization manages its available cash to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance for 60 days of operating expenses.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Liquidity and Availability (continued)

The following represents the Organization's financial assets and those available to meet general expenditures within twelve months at June 30.

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------------------------------------------------------|---------------------|---------------------|
| Financial assets at year end: | | |
| Cash | \$ 7,020,432 | \$ 3,602,596 |
| Accounts receivable, net | - | 35,431 |
| Grants receivable - due from private foundations | 96,250 | - |
| Grants receivable - due from government agencies | 272,090 | 170,663 |
| Promises to give for long-term purposes, net | <u>204,925</u> | <u>331,607</u> |
| Total financial assets | 7,593,697 | 4,140,297 |
| Less: amounts not available to be used on general expenditures within twelve months: | | |
| Net assets with donor restrictions | <u>1,031,326</u> | <u>648,410</u> |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 6,562,371</u> | <u>\$ 3,491,887</u> |

3. Property, Plant, and Equipment

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

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------|---------------------|---------------------|
| Land | \$ 360,000 | \$ 360,000 |
| Building and improvements | 44,875 | 152,633 |
| Leasehold improvements | 405,553 | 405,553 |
| Furniture, fixtures, and equipment | 549,260 | 518,545 |
| Construction-in-progress | <u>1,282,296</u> | <u>850,215</u> |
| | 2,641,984 | 2,286,946 |
| Less accumulated depreciation | <u>(610,748)</u> | <u>(458,435)</u> |
| Property, plant, and equipment, net | <u>\$ 2,031,236</u> | <u>\$ 1,828,511</u> |

In May 2017, Lycée entered into a non-compensatory lease agreement with the Louisiana State Department of Education through the Recovery School District (RSD) whereby it was agreed that the RSD will lease a school campus (Johnson Campus) to Lycée commencing in May 2017 through June 2019. Due to the transition of all public schools to Orleans Parish School Board from the RSD, the lease was renewed with OPSB as the lessor and a revised lease term of July 2018 through June 2021. The land and building is not owned by Lycée and therefore is not included in property, plant, and equipment.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30:

| | <u>2020</u> | <u>2019</u> |
|---------------------------------------------------|-------------------|-------------------|
| Within one year | \$ 154,558 | \$ 217,312 |
| In one to five years | 162,840 | 114,295 |
| | <u>317,398</u> | <u>331,607</u> |
| Less allowance for uncollectable promises to give | (112,473) | - |
| | <u>\$ 204,925</u> | <u>\$ 331,607</u> |

5. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted as follows at June 30:

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------------------------------------|---------------------|-------------------|
| Priestley campus development - time and purpose restrictions | \$ 552,326 | \$ 587,410 |
| High school start-up and growth - time and purpose restrictions | 459,000 | 61,000 |
| Purpose restricted for virtual learning development | 20,000 | - |
| | <u>\$ 1,031,326</u> | <u>\$ 648,410</u> |

6. Operating Leases

During the year ended June 30, 2020, Lycée had several lease agreements in place for the school facilities used. Lycée currently leases facilities at its Patton Street and Eleonore Street campuses. The remaining lease terms range from one to eight years and have maturities ranging from 2020 to 2027. All leases in effect as of June 30, 2020 have renewal options. The fixed minimum amount for the Patton lease will increase at 5% annually.

Future minimum lease payments under operating leases as of June 30, 2020 are as follows:

| <u>Year Ending June 30</u> | <u>Amount</u> |
|----------------------------|---------------|
| 2021 | \$ 306,983 |
| 2022 | 316,032 |
| 2023 | 331,833 |
| 2024 | 348,425 |
| 2025 | 365,846 |
| Thereafter | 787,484 |

Rent expense for all operating leases during the years ended June 30, 2020 and 2019 was \$397,407 and \$611,758, respectively.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Functional Allocation of Expenses

As described in Note 1, expenses have been reported in the consolidated statements of activities by functional classification. Natural expenses by functional classification for the years ended June 30, 2020 and 2019 are as follows:

| | 2020 | | | |
|-------------------------------------|---------------------|-------------------------|-------------------|----------------------|
| | Program | Support | | Total |
| | | Management & General | Fundraising | |
| Salaries | \$ 5,610,485 | \$ 1,484,331 | \$ 106,174 | \$ 7,200,990 |
| Employee benefits | 957,924 | 283,425 | 18,482 | 1,259,831 |
| Materials and supplies | 701,293 | 137,181 | 2,662 | 841,136 |
| Occupancy | 618,034 | 163,509 | 11,696 | 793,239 |
| Professional and technical services | 133,961 | 288,796 | 1,740 | 424,497 |
| Miscellaneous | 530,416 | 204,313 | 141,567 | 876,296 |
| Total expenses | \$ 8,552,113 | \$ 2,561,555 | \$ 282,321 | \$ 11,395,989 |

| | 2019 | | | |
|-------------------------------------|---------------------|-------------------------|-------------------|----------------------|
| | Program | Support | | Total |
| | | Management & General | Fundraising | |
| Salaries | \$ 4,845,461 | \$ 1,526,120 | \$ 90,357 | \$ 6,461,938 |
| Employee benefits | 1,033,197 | 250,393 | 22,681 | 1,306,271 |
| Materials and supplies | 619,340 | 112,154 | 35,366 | 766,860 |
| Occupancy | 958,276 | 301,817 | 17,870 | 1,277,963 |
| Professional and technical services | 183,561 | 211,748 | - | 395,309 |
| Miscellaneous | 225,788 | 512,985 | 571 | 739,344 |
| Total expenses | \$ 7,865,623 | \$ 2,915,217 | \$ 166,845 | \$ 10,947,685 |

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. Defined Contribution Retirement Plan

Lycée has a defined contribution plan (the Plan) that was adopted on July 20, 2011. The Plan covers all employees of Lycée who are twenty-one years of age or older and who have completed one year with 1,000 hours of service. Under the terms of the plan, Lycée matches 100% of the first 5% of eligible compensation. For the years ended June 30, 2020 and 2019, Lycée made employer matching contributions to the plan of \$298,242 and \$223,124, respectively.

9. Credit Risk Concentration

The Organization deposits its cash with financial institutions in the greater New Orleans area. As of June 30, 2020 and 2019, all cash accounts at each financial institution are insured up to \$250,000 by the Federal Deposit Insurance Corporation. From time to time the amounts on deposit may exceed the federally insured limits. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

10. Contingencies-Grant Programs

Lycée participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Lycée has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable as of June 30, 2020 and 2019 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and Lycée.

11. Economic Dependency

Lycée receives the majority of its revenue from the State of Louisiana Minimum Foundation Program Funding (MFP) and from various federal grants passed through the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds Lycée receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds Lycée will receive relating to its grant awards.

12. Outbreak of COVID-19 and Paycheck Protection Program

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. The COVID-19 pandemic has negatively impacted the global and domestic economy and created significant volatility and disruption of financial markets. The extent of the continuing impact of the COVID-19 pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Organization's donors, students, employees and vendors, all of which are uncertain and cannot be predicted.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. Outbreak of COVID-19 and Paycheck Protection Program (continued)

During the year ended June 30, 2020, Lycée applied for and was approved for a \$1,611,300 loan under the Paycheck Protection Program administered by the Small Business Administration as part of the relief efforts related to COVID-19. The loan accrues interest at a fixed rate of 1.00% but payments are not required to begin for ten months after the funding of the loan. Lycée is eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal Government.

13. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 18, 2020, and determined that other than the matters regarding the outbreak of COVID-19 and the Paycheck Protection Program described in Note 12, and the transaction described below there were no other events occurred that require additional disclosure.

On July 1, 2020 Lycée transferred 100% of its membership interest in 1601 Leonidas to a newly formed entity 1601 Managing Member Inc., a Louisiana business corporation, in exchange for all the common stock of 1601 Managing Member Inc.

No events after this date have been evaluated for inclusion in the consolidated financial statements.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

| | Lycée Français de la Nouvelle-Orléans | Amis du Lycée Français | 1601 Leonidas, LLC | Eliminations | Total |
|--------------------------------------------------|------------------------------------------|---------------------------|-----------------------|-----------------------|---------------------|
| <u>CURRENT ASSETS</u> | | | | | |
| Cash | \$ 6,925,060 | - | \$ - | \$ - | \$ 6,925,060 |
| Grants receivable - due from private foundations | 96,250 | - | - | - | 96,250 |
| Grants receivable - due from government agencies | 272,090 | - | - | - | 272,090 |
| Prepaid expenses | 4,487 | - | - | - | 4,487 |
| Due from related party | - | 248,022 | - | (248,022) | - |
| | <u>7,297,887</u> | <u>248,022</u> | <u>-</u> | <u>(248,022)</u> | <u>7,297,887</u> |
| Total current assets | | | | | |
| Property, plant, and equipment, net | 388,940 | - | 1,642,296 | - | 2,031,236 |
| Cash restricted for long-term purposes | - | 95,372 | - | - | 95,372 |
| Promises to give for long-term purposes, net | - | 204,925 | - | - | 204,925 |
| Investment in 1601 Leonidas, LLC | 1,642,296 | - | - | (1,642,296) | - |
| | <u>1,642,296</u> | <u>-</u> | <u>-</u> | <u>(1,642,296)</u> | <u>-</u> |
| Total assets | <u>\$ 9,329,123</u> | <u>\$ 548,319</u> | <u>\$ 1,642,296</u> | <u>\$ (1,890,318)</u> | <u>\$ 9,629,420</u> |

LIABILITIES AND NET ASSETS

| | | | | | |
|---------------------------------------|---------------------|-------------------|---------------------|-----------------------|---------------------|
| <u>CURRENT LIABILITIES</u> | | | | | |
| Accounts payable and accrued expenses | \$ 940,938 | \$ - | \$ - | \$ - | \$ 940,938 |
| Due to related party | 248,022 | - | - | (248,022) | - |
| Deferred revenue | 52,285 | - | - | - | 52,285 |
| Paycheck Protection Program loan | 1,611,300 | - | - | - | 1,611,300 |
| | <u>2,852,545</u> | <u>-</u> | <u>-</u> | <u>(248,022)</u> | <u>2,604,523</u> |
| Total current liabilities | | | | | |
| Total liabilities | <u>2,852,545</u> | <u>-</u> | <u>-</u> | <u>(248,022)</u> | <u>2,604,523</u> |
| <u>NET ASSETS</u> | | | | | |
| Without donor restrictions | 5,997,578 | (4,007) | 1,642,296 | (1,642,296) | 5,993,571 |
| With donor restrictions | 479,000 | 552,326 | - | - | 1,031,326 |
| | <u>6,476,578</u> | <u>548,319</u> | <u>1,642,296</u> | <u>(1,642,296)</u> | <u>7,024,897</u> |
| Total net assets | | | | | |
| Total liabilities and net assets | <u>\$ 9,329,123</u> | <u>\$ 548,319</u> | <u>\$ 1,642,296</u> | <u>\$ (1,890,318)</u> | <u>\$ 9,629,420</u> |

See accompanying independent auditors' report.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

| | Lycée Français de la Nouvelle-Orléans | | | Amis du Lycée Français | | | 1601 Leonidas, LLC | | | Eliminations | Total |
|-----------------------------------------|---------------------------------------|-------------------------|---------------------|----------------------------|-------------------------|-------------------|----------------------------|-------------------------|---------------------|-----------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | | |
| Revenues and support: | | | | | | | | | | | |
| Federal grants | \$ 610,485 | \$ - | \$ 610,485 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 610,485 |
| State grants | 11,073,338 | - | 11,073,338 | - | - | - | - | - | - | - | 11,073,338 |
| Tuition and activity income | 358,873 | - | 358,873 | - | - | - | - | - | - | - | 358,873 |
| Contributions | 238,536 | 499,000 | 737,536 | - | 99,559 | 99,559 | 1,642,296 | - | 1,642,296 | (1,642,296) | 837,095 |
| Food service | 76,034 | - | 76,034 | - | - | - | - | - | - | - | 76,034 |
| Other income | 60,269 | - | 60,269 | 1,993 | - | 1,993 | - | - | - | - | 62,262 |
| Net assets released from restrictions | 81,000 | (81,000) | - | 134,643 | (134,643) | - | - | - | - | - | - |
| Total revenues and other support | 12,498,535 | 418,000 | 12,916,535 | 136,636 | (35,084) | 101,552 | 1,642,296 | - | 1,642,296 | 1,642,296 | 13,018,087 |
| Expenses: | | | | | | | | | | | |
| Program services: | | | | | | | | | | | |
| Elementary and kindergarten | 4,438,621 | - | 4,438,621 | - | - | - | - | - | - | - | 4,438,621 |
| Prekindergarten | 391,578 | - | 391,578 | - | - | - | - | - | - | - | 391,578 |
| Special education | 1,057,776 | - | 1,057,776 | - | - | - | - | - | - | - | 1,057,776 |
| Operations and maintenance | 618,034 | - | 618,034 | - | - | - | - | - | - | - | 618,034 |
| Extracurricular activities | 16,666 | - | 16,666 | - | - | - | - | - | - | - | 16,666 |
| Aftercare | 205,204 | - | 205,204 | - | - | - | - | - | - | - | 205,204 |
| Student services | 1,251,355 | - | 1,251,355 | - | - | - | - | - | - | - | 1,251,355 |
| Other program services | 572,879 | - | 572,879 | - | - | - | - | - | - | - | 572,879 |
| Total program services | 8,552,113 | - | 8,552,113 | - | - | - | - | - | - | - | 8,552,113 |
| Support services | 2,700,570 | - | 2,700,570 | 143,306 | - | 143,306 | - | - | - | - | 2,843,876 |
| Total expenses | 11,252,683 | - | 11,252,683 | 143,306 | - | 143,306 | - | - | - | - | 11,395,989 |
| Change in net assets | 1,245,852 | 418,000 | 1,663,852 | (6,670) | (35,084) | (41,754) | 1,642,296 | - | 1,642,296 | (1,642,296) | 1,622,098 |
| NET ASSETS AT BEGINNING OF YEAR | 4,751,726 | 61,000 | 4,812,726 | 2,663 | 587,410 | 590,073 | - | - | - | - | 5,402,799 |
| NET ASSETS AT END OF THE YEAR | \$ 5,997,578 | \$ 479,000 | \$ 6,476,578 | \$ (4,007) | \$ 552,326 | \$ 548,319 | \$ 1,642,296 | \$ - | \$ 1,642,296 | \$ (1,642,296) | \$ 7,024,897 |

See accompanying independent auditors' report.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head Name: Marina Schoen, CEO

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------|-------------------|
| Salary | \$ 135,000 |
| Benefits - insurance | 4,757 |
| Benefits - retirement | 10,739 |
| Registration fees | 150 |
| | <u>\$ 150,646</u> |

See accompanying 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 for
Lycée Français de la Nouvelle-Orléans
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 consolidated financial statements of Lycée Français de la Nouvelle-Orléans (the Organization) which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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.

Postlethwaite & Netterville

New Orleans, Louisiana
December 18, 2020

To the Board of Directors
Lycée Français de la Nouvelle Orleans

In planning and performing our audit of the consolidated financial statements of Lycée Français de la Nouvelle Orleans (a nonprofit organization) (Lycée or the Organization) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, as discussed below, we identified certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated December 18, 2020 on the consolidated financial statements of the Organization. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control.

Observation:

ASU No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* was effective for the Organization for the year ended June 30, 2020. This ASU provided additional guidance related to donor restrictions and how to evaluate potential conditions associated with grants and contributions. During the course of our audit, we evaluated certain contributions with management to determine if they were restricted and/or conditional. Based on this, it was determined that certain contributions were initially improperly treated as unconditional promises to give, and should be considered conditional. Adjustments were made accordingly.

Recommendation:

We recommend that management update their control processes and procedures to embed this process of review and assessment, at a minimum, as part of the year end closing review to ensure that contributions are appropriately accounted for.

Management response:

We will review our policies and procedures and update accordingly to include the best practices.

The Organization's written response to our comments and recommendations has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We believe that the implementation of these recommendations will provide the Organization with a stronger system of internal control. We will be happy to discuss the details of these recommendations with you and assist in any way possible with their implementation.



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

Postlethwaite & Netterville

Metairie, Louisiana
December 18, 2020

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NEW ORLEANS, LOUISIANA

PERFORMANCE AND STATISTICAL DATA

FOR THE YEAR ENDED JUNE 30, 2020

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS
NEW ORLEANS, LOUISIANA

PERFORMANCE AND STATISTICAL DATA SCHEDULES

FOR THE YEAR ENDED JUNE 30, 2020

Independent Accountants' Report
On Applying Agreed-Upon Procedures

To the Board of Directors
Lycée Français de la Nouvelle-Orléans
New Orleans, Louisiana:

We have performed the procedures enumerated below, which were agreed to by the management of Lycée Français de la Nouvelle-Orléans (“Lycée”), the Louisiana Department of Education, the Louisiana Legislature Auditor (the specified parties), on the performance and statistical data accompanying the financial statements of Lycée for the fiscal year ended June 30, 2020; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514.I. Management of Lycée is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions and inspected supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on Schedule 1:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue (no revenue reported),
 - Total Local Earnings on Investment in Real Property (no revenue reported),
 - Total State Revenue in Lieu of Taxes (no revenue reported),
 - Nonpublic Textbook Revenue (no revenue reported), and
 - Nonpublic Transportation Revenue (no revenue reported).

We noted no exceptions.

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2019 roll books and determined if the class was properly classified on Schedule 2.

We noted no exceptions.

Education Levels/Experience of Public School Staff

3. We obtained October 1, 2019 PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

We noted two exceptions in which an individual's years of experience was not classified correctly on the PEP data when compared to the individual's personnel file. Both instances have been corrected on the 2020-2021 PEP data.

One of the exceptions above was due to the late receipt of a resume as a result of a security breach at CODOFIL.

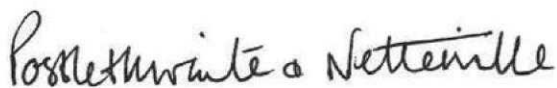
Public School Staff Data: Average Salaries

4. We obtained June 30, 2020 PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

We noted no exceptions.

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.

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



New Orleans, Louisiana
December 18, 2020

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2020**

| | Column A | Column B |
|-------------------------------------------------------------------------|--------------|-----------------|
| <u>General Fund Instructional and Equipment Expenditures</u> | | |
| General Fund Instructional Expenditures: | | |
| Teacher and Student Interaction Activities: | | |
| Classroom Teacher Salaries | \$ 3,674,830 | |
| Other Instructional Staff Activities | 972,150 | |
| Instructional Staff Employee Benefits | 818,087 | |
| Purchased Professional and Technical Services | 107,724 | |
| Instructional Materials and Supplies | 245,532 | |
| Instructional Equipment | 30,714 | |
| Total Teacher and Student Interaction Activities | | \$ 5,849,036.70 |
| Other Instructional Activities | | - |
| Pupil Support Services | 935,868 | |
| Less: Equipment for Pupil Support Services | - | |
| Net Pupil Support Services | - | 935,868 |
| Instructional Staff Services | 760,839 | |
| Less: Equipment for Instructional Staff Services | - | |
| Net Instructional Staff Services | - | 760,839 |
| School Administration | 1,189,276 | |
| Less: Equipment for School Administration | - | |
| Net School Administration | - | 1,189,276 |
| Total General Fund Instructional Expenditures (Total of Column B) | | \$ 8,735,020 |
| Total General Fund Equipment Expenditures | | \$ 30,714 |
| <u>Certain Local Revenue Sources</u> | | |
| Local Taxation Revenue: | | |
| Constitutional Ad Valorem Taxes | | \$ - |
| Renewable Ad Valorem Tax | | - |
| Debt Service Ad Valorem Tax | | - |
| Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes | | - |
| Sales and Use Taxes | | - |
| Total Local Taxation Revenue | | \$ - |
| Local Earnings on Investment in Real Property: | | |
| Earnings from 16th Section Property | | \$ - |
| Earnings from Other Real Property | | - |
| Total Local Earnings on Investment in Real Property | | \$ - |
| State Revenue in Lieu of Taxes: | | |
| Revenue Sharing - Constitutional Tax | | \$ - |
| Revenue Sharing - Other Taxes | | - |
| Revenue Sharing - Excess Portion | | - |
| Other Revenue in Lieu of Taxes | | - |
| Total State Revenue in Lieu of Taxes | | \$ - |
| Nonpublic Textbook Revenue | | \$ - |
| Nonpublic Transportation Revenue | | \$ - |

**Lycée Français de la Nouvelle-Orléans
Schedule 2**

**Class Size Characteristics
As of October 1, 2019**

| School Type | Class Size Range | | | | | | | |
|----------------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|
| | 1 - 20 | | 21 - 26 | | 27 - 33 | | 34+ | |
| | Percent | Number | Percent | Number | Percent | Number | Percent | Number |
| Elementary | 12% | 4 | 85% | 28 | 3% | 1 | 0% | - |
| Elementary Activity Classes | 0% | - | 0% | - | 0% | - | 0% | - |
| Middle/Jr. High | 27% | 3 | 73% | 8 | 0% | - | 0% | - |
| Middle/Jr. High Activity Classes | 0% | - | 0% | - | 0% | - | 0% | - |
| High | 0% | 1 | 0% | - | 0% | - | 0% | - |
| High Activity Classes | 0% | - | 0% | - | 0% | - | 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.

Prepared by Lycée Français de la Nouvelle-Orléans