

CRESCENT CITY SCHOOLS

FINANCIAL STATEMENTS

June 30, 2019 and 2018



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CRESCENT CITY SCHOOLS
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JUNE 30, 2019

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Report



Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807
(fax)

www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Crescent City Schools
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Crescent City Schools (a nonprofit organization) (the School), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditors' 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 School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School'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 the School as of June 30, 2019, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the School as of June 30, 2018, were audited by other auditors whose report dated December 10, 2018, expressed an unmodified opinion on those statements.

Emphasis of Matter

As discussed in Note 1, effective January 1, 2018, the School adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* and (ASU) No. 2016-18 *Statement of Cash Flows (Topic 230): Restricted Cash*. The School has adjusted the presentation of the accompanying financial statements accordingly, applying the changes retrospectively to the comparative period (2018) presented. Our conclusion has not been modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, and Cost Principles, and Audit Requirements for Federal Awards, and the accompanying schedule of compensation, benefits and other payments made to agency head 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 2019 integrated statement of financial position and the 2019 integrated statement of activities, which are the responsibility of management, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it. The 2018 integrated statement of financial position and the 2018 integrated statement of activities was subjected to the auditing procedures applied in the 2018 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2018 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 20, 2019 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

December 20, 2019



Financial Statements



Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

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
Crescent City Schools
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 Crescent City Schools (a nonprofit organization) (the School), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 20, 2019.

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 School'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 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

December 20, 2019



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Suite 350
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Crescent City Schools
New Orleans, Louisiana

Report on Compliance for the Major Federal Program

We have audited Crescent City School's (a nonprofit organization) (the School) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2019. The School's major federal program is 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 the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the School's major federal program 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 the 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 the major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on the 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 program for the year ended June 30, 2019.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 a 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.

Cam, Riggs & Ingram, L.L.C.

December 20, 2019

CRESCENT CITY SCHOOLS
STATEMENTS OF FINANCIAL POSITION

<i>As of June 30,</i>	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,295,819	\$ 2,703,514
Restricted cash	21,663	-
Grant receivables	316,559	519,730
Other receivables	447,394	356,598
Prepaid expenses	165,356	226,742
Deposits	71,191	51,191
Total Current Assets	5,317,982	3,857,775
PROPERTY AND EQUIPMENT, net	187,947	166,304
TOTAL ASSETS	\$ 5,505,929	\$ 4,024,079
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,153,141	\$ 627,139
Accrued expenses	1,320,863	1,166,032
Deferred revenues	60,000	348,438
Total Current Liabilities	2,534,004	2,141,609
NET ASSETS		
Without donor restrictions	2,950,262	1,882,470
With donor restrictions	21,663	-
Total Net Assets	2,971,925	1,882,470
TOTAL LIABILITIES AND NET ASSETS	\$ 5,505,929	\$ 4,024,079

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

**CRESCENT CITY SCHOOLS
STATEMENT OF ACTIVITIES**

<i>For the Year Ended June 30, 2019</i>	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND OTHER SUPPORT			
Local per pupil aid - MFP	\$ 12,389,221	\$ -	\$ 12,389,221
Federal grants	5,727,103	-	5,727,103
State public school funds - MFP	9,885,710	-	9,885,710
Other grants, contributions, and donations	880,210	21,663	901,873
Other sources	1,448,208	-	1,448,208
Total Revenues and Other Support	30,330,452	21,663	30,352,115
EXPENSES			
Program Services:			
Instructional	14,129,046	-	14,129,046
School Administration	1,683,387	-	1,683,387
Pupil Support Services	2,393,375	-	2,393,375
Instructional Staff Services	2,066,526	-	2,066,526
Supporting Services:			
General Administration	411,400	-	411,400
Central Services	737,264	-	737,264
Food Services	2,364,492	-	2,364,492
Business Services	1,202,351	-	1,202,351
Ancillary Services	4,274,819	-	4,274,819
Total Expenses	29,262,660	-	29,262,660
CHANGE IN NET ASSETS	1,067,792	21,663	1,089,455
NET ASSETS, Beginning of Year	1,882,470	-	1,882,470
NET ASSETS, End of Year	\$ 2,950,262	\$ 21,663	\$ 2,971,925

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

**CRESCENT CITY SCHOOLS
STATEMENT OF ACTIVITIES**

<i>For the Year Ended June 30, 2018</i>	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND OTHER SUPPORT			
Local per pupil aid - MFP	\$ 9,946,213	\$ -	\$ 9,946,213
Federal grants	4,389,109	-	4,389,109
State public school funds - MFP	8,683,120	-	8,683,120
Other grants, contributions, and donations	1,207,830	-	1,207,830
Other sources	1,091,895	-	1,091,895
Total Revenues and Other Support	25,318,167	-	25,318,167
EXPENSES			
Program Services:			
Instructional	11,658,090	-	11,658,090
School Administration	1,384,249	-	1,384,249
Pupil Support Services	2,646,896	-	2,646,896
Instructional Staff Services	1,832,242	-	1,832,242
Supporting Services:			
General Administration	366,408	-	366,408
Central Services	681,590	-	681,590
Food Services	1,970,625	-	1,970,625
Business Services	970,465	-	970,465
Ancillary Services	3,285,696	-	3,285,696
Total Expenses	24,796,261	-	24,796,261
CHANGE IN NET ASSETS	521,906	-	521,906
NET ASSETS, Beginning of Year	1,360,564	-	1,360,564
NET ASSETS, End of Year	\$ 1,882,470	\$ -	\$ 1,882,470

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

CRESCENT CITY SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019	Program Services					Support Services						Total
	Instructional	School administration	Pupil support services	Instructional staff services	Total	General administration	Central services	Food services	Business services	Ancillary services	Total	
Advertisement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,767	\$ -	\$ -	\$ -	\$ 15,767	\$ 15,767
Architect/Engineering services	-	-	-	-	-	-	-	-	-	138,149	138,149	138,149
Audit/Accounting services	-	-	-	-	-	-	-	-	46,685	-	46,685	46,685
Construction services	-	-	-	-	-	-	-	-	-	8,237	8,237	8,237
Custodial services	-	-	-	-	-	-	-	-	-	118,650	118,650	118,650
Depreciation	-	-	-	-	-	-	-	-	-	29,750	29,750	29,750
Dues/Fees	14,510	-	1,411	-	15,921	410,232	8,627	-	251,328	-	670,187	686,108
Employee benefits	2,332,393	365,231	421,987	246,815	3,366,426	-	77,783	16,878	91,340	152,667	338,668	3,705,094
Food service	-	-	31,679	38,746	70,425	-	43,645	2,240,295	-	-	2,283,940	2,354,365
Insurance	-	-	-	-	-	-	8,031	-	196,472	-	204,503	204,503
Legal services	-	-	-	-	-	-	9,335	-	-	6,552	15,887	15,887
Medical services	-	-	3,647	-	3,647	-	14,834	-	-	-	14,834	14,834
Miscellaneous	861,710	-	2,949	440,436	1,305,095	-	174,261	-	113,930	184,616	472,807	1,777,902
Occupational/Physical therapist services	91,827	-	-	-	91,827	-	-	-	-	-	-	91,827
Phone/Internet	8,538	44,759	2,632	160,768	216,697	1,168	6,838	-	1,550	-	9,556	226,253
Printing	14,647	-	-	-	14,647	-	9,173	-	7,351	-	16,524	31,171
Rent/Lease	602,703	-	15,426	-	618,129	-	18,997	-	-	510,870	529,867	1,147,996
Repairs and maintenance	-	-	-	-	-	-	-	-	-	505,541	505,541	505,541
Salaries	9,133,690	1,267,767	1,886,839	1,117,953	13,406,249	-	318,863	106,664	488,207	578,342	1,492,076	14,898,325
Student transportation	-	-	-	-	-	-	-	-	-	1,403,942	1,403,942	1,403,942
Supplies	658,067	5,630	24,563	61,808	750,068	-	23,492	655	5,488	192,325	221,960	972,028
Textbooks	374,932	-	2,242	-	377,174	-	-	-	-	-	-	377,174
Travel	36,029	-	-	-	36,029	-	7,618	-	-	-	7,618	43,647
Utilities	-	-	-	-	-	-	-	-	-	445,178	445,178	445,178
Total Expenses	\$ 14,129,046	\$ 1,683,387	\$ 2,393,375	\$ 2,066,526	\$ 20,272,334	\$ 411,400	\$ 737,264	\$ 2,364,492	\$ 1,202,351	\$ 4,274,819	\$ 8,990,326	\$ 29,262,660

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

CRESCENT CITY SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2018	Program Services					Support Services						Total
	Instructional	School administration	Pupil support services	Instructional staff services	Total	General administration	Central services	Food services	Business services	Ancillary services	Total	
Advertisement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,863	\$ -	\$ -	\$ -	\$ 62,863	\$ 62,863
Audit/Accounting services	-	-	-	-	-	-	-	-	45,697	-	45,697	45,697
Construction services	-	-	-	-	-	-	-	-	-	12,699	12,699	12,699
Custodial services	-	-	-	-	-	-	-	-	-	83,961	83,961	83,961
Depreciation	-	-	-	-	-	-	-	-	-	38,419	38,419	38,419
Dues/Fees	8,308	-	6,341	-	14,649	365,210	10,078	-	148,607	-	523,895	538,544
Employee benefits	1,860,046	262,028	391,369	211,834	2,725,277	-	63,175	16,089	85,828	132,254	297,346	3,022,623
Food service	-	-	24,822	48,646	73,468	-	46,933	1,848,273	-	-	1,895,206	1,968,674
Insurance	-	-	5,604	-	5,604	-	3,759	-	143,420	24,333	171,512	177,116
Interfund transactions	-	-	-	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	4,212	-	-	5,777	9,989	9,989
Medical services	-	-	24,222	-	24,222	-	14,448	-	-	-	14,448	38,670
Miscellaneous	712,597	-	253,816	333,958	1,300,371	-	113,721	-	69,778	127,420	310,919	1,611,290
Occupational/Physical therapist services	26,636	-	40,406	-	67,042	-	-	-	-	-	-	67,042
Phone/Internet	5,778	41,028	2,478	196,221	245,505	1,198	7,511	-	1,472	-	10,181	255,686
Printing	-	-	13,298	-	13,298	-	13,901	-	569	-	14,470	27,768
Rent/Lease	195,857	-	14,974	-	210,831	-	16,980	-	-	250	17,230	228,061
Repairs and maintenance	-	-	-	-	-	-	-	-	-	326,095	326,095	326,095
Salaries	8,249,487	1,080,493	1,862,810	1,006,019	12,198,809	-	263,348	105,542	462,087	493,702	1,324,679	13,523,488
Student transportation	-	-	-	-	-	-	-	-	-	1,559,783	1,559,783	1,559,783
Supplies	543,073	700	6,756	35,564	586,093	-	42,586	721	13,007	123,460	179,774	765,867
Textbooks	49,895	-	-	-	49,895	-	-	-	-	-	-	49,895
Travel	6,413	-	-	-	6,413	-	18,075	-	-	-	18,075	24,488
Utilities	-	-	-	-	-	-	-	-	-	357,543	357,543	357,543
Total Expenses	\$ 11,658,090	\$ 1,384,249	\$ 2,646,896	\$ 1,832,242	\$ 17,521,477	\$ 366,408	\$ 681,590	\$ 1,970,625	\$ 970,465	\$ 3,285,696	\$ 7,274,784	\$ 24,796,261

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

CRESCENT CITY SCHOOLS
STATEMENTS OF CASH FLOWS

<i>For the Years Ended June 30,</i>	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,089,455	\$ 521,906
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	29,750	38,417
Changes in operating assets and liabilities:		
Grants receivable	203,171	471,276
Other receivables	(90,796)	(269,441)
Prepaid expenses	61,386	(201,140)
Deposits	(20,000)	6,312
Accounts payable	526,002	(308,714)
Accrued expenses	154,831	(16,306)
Deferred revenues	(288,438)	348,438
Net cash provided by operating activities	1,665,361	590,748
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(51,393)	-
Net cash used in investing activities	(51,393)	-
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,613,968	590,748
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - BEGINNING OF YEAR	2,703,514	2,112,766
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 4,317,482	\$ 2,703,514
RECONCILIATION TO STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 4,295,819	\$ 2,703,514
Restricted cash	21,663	-
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 4,317,482	\$ 2,703,514

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

CRESCENT CITY SCHOOLS NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Crescent City Schools (the School) is a Louisiana not-for-profit organization incorporated on June 8, 2010 for the purpose of operating charter schools. The School was created to support and develop open enrollment charter schools that raise student achievement and prepare students for college.

The Board of Elementary and Secondary Education (BESE) approved the granting of a charter to Crescent City Schools effective May 18, 2011 to operate a Type 5 Charter School, as defined in LA. R.S. 17:3996. Crescent City Schools commenced operations with the 2011-2012 school year. As of June 30, 2019 and 2018, Crescent City Schools operates three charter schools: Harriet Tubman Charter School (HT), Akili Academy of New Orleans (Akili), and Paul Habans Charter School (Habans). On July 1, 2018, the individual schools became Type 3B charters schools. These contracts are scheduled to terminate on June 30, 2022, June 30, 2024 and June 30, 2021, respectively.

Basis of Accounting

The financial statements of the School have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, *Not-For-Profit Entities*. The School has classified its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets and changes therein are classified and reported as follows:

- ***Net Assets Without Donor Restrictions*** - Support, revenues, and expenses for the general operation of the School.
- ***Net Assets With Donor Restrictions*** - Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period. This category also includes contributions subject to donor-imposed restrictions which are to be held in perpetuity by the School. Generally, the donors of these assets permit the School to use all or part of the income derived from the investment of these contributions.

CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The June 30, 2019 and 2018 financial statements present the activities of the management organization and three charter schools (HT, Akili, and Habans). All significant intercompany balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents and Restricted Cash

For financial statement purposes, the School considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The School considers cash balances with a board or donor imposed restriction (purpose or time) to be restricted cash.

Depreciation

The School's capitalization policy requires the School to capitalize additions to physical plant and facilities in excess of \$5,000, and stated at cost at the date of acquisition or at fair value at the date of donation. Repairs and maintenance are charged to expense as incurred; major renewals and betterments in excess of \$5,000 are capitalized. Depreciation is provided by utilizing the straight-line method over the estimated useful lives of the assets, which is three to ten years.

Impairment of Long-Lived Assets

The School reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition.

In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects and the effects of obsolescence, demand, competition and other economic factors.

The School did not recognize an impairment loss during the years ended June 30, 2019 and 2018.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

The School is the recipient of grants that stipulate the School meet certain conditions, otherwise, in the event of not complying with the conditions, the School would be required to return the funds to the grantor. The grants also stipulate the School return any unused grant funds at the end of the grant period. In this case, the amount received is reported as deferred revenue until the conditions of the grant have been substantially met by the School.

Grant and Other Receivables

Grants and other contributions are recognized as revenue on the accrual basis of accounting. As of June 30, 2019 and 2018, the School expects all receivable balances to be collected in one year. An allowance is made for uncollectable contributions based upon management's judgement and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. As a result of this analysis, management has determined no allowance is necessary as of June 30, 2019 and 2018.

Public Support and Revenue

The School receives its support primarily from the Louisiana State Department of Education and the United States Department of Education. State and federal grants are on a cost reimbursement basis.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances for uncollectible contributions are estimated. Promises to give and contributions are principally received from corporate, foundation, and individual donors. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give for subsequent years are recorded as receivables and donor with restriction net assets in the year the commitment is received. Contributions where donor restrictions are met in the same reporting period are reported as unrestricted support.

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

CRESCENT CITY SCHOOLS NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public Support and Revenue (Continued)

All contributions are considered to be available for unrestricted use unless specially restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support that increases that net asset class. When amounts with a donor imposed time restriction expires, these amounts are reclassified from net assets with donor restrictions to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and the OPSB. For the year ended June 30, 2019 and 2018, the School received \$9,885,710 and \$8,683,120 from the State, and \$12,389,221 and \$9,946,213 from the OPSB in MFP funding. MFP revenue accounts for 74% and 74% of the Organization's total revenue for the year ended June 30, 2019 and 2018, respectively. Most federal grants are on a cost reimbursement basis and accounted for 19% and 17% of the Organization's total revenue for the year ended June 30, 2019 and 2018, respectively.

Donated Services

The School receives a substantial amount of donated services from unpaid volunteers who assist in carrying out instructional activities and facility improvement assistance. No amounts have been reflected in the statements of activities for donated services because they did not meet the criteria for recognition under generally accepted accounting principles.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. The financial statements of the School report certain categories of expenses that are attributable to more than one program or supporting function. The majority of these expenses are allocated based on actual time and effort. However, several of these expenses (e.g., rent/lease, supplies, phone/internet, etc.) require allocation based on usage (e.g., building square footage, estimated consumption, etc.) by each function.

Federal Income Taxes

The School is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The School believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to financial statements.

CRESCENT CITY SCHOOLS NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

Effective July 1, 2018, the School adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts general described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

Effective July 1, 2018, the School adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The School has adjusted the presentation of the accompanying financial statements accordingly, applying the changes retrospectively to the comparative period (2018) presented. The new standard changes the following aspects of the School's financial statements:

- The “temporarily restricted” and “permanently restricted” net asset classes have been combined into a single net asset class termed “net assets with donor restrictions” (Note 5).
- The “unrestricted” net asset class has been termed “net assets without donor restrictions”.
- The presentation of functional classification of expenses is supplemented with enhanced disclosures about the methods used to allocate cost among functions and the basis for which to allocate cost between program and supporting expenses.
- The financial statements include a new footnote disclosure about liquidity and availability of resources (See Note 11).

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the current leasing guidance. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of income. The new standard is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The School is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

**CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in accounting principles generally accepted in the United States of America (U.S. GAAP) when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The School is currently evaluating the effects the standard will have on its financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The new standard is effective for fiscal years beginning after December 15, 2019. The School is currently evaluating the effects the standard will have on its financial statements.

NOTE 2 – GRANT AND OTHER RECEIVABLES

As of June 30, grant receivables consisted of amounts due from the following:

	2019	2018
Louisiana Department of Education (LDOE):		
Title I	\$ 196,043	\$ 196,345
IDEA B	81,633	56,656
IDEA PS	4,389	8,695
High Cost Services	18,487	3,980
Child Nutrition	-	227,658
LA4	16,007	14,780
Total from LDOE	316,559	508,114
Other:		
BESE	-	11,616
Total grant receivables	\$ 316,559	\$ 519,730

CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – GRANT AND OTHER RECEIVABLES (CONTINUED)

As of June 30, other receivables consisted of amounts due from the following:

	2019	2018
Medicaid reimbursements	\$ 191,259	\$ 210,421
Vendor reimbursement	149,240	-
Employee receivable	29,142	25,650
Recovery School District	32,593	32,871
Contributions	5,781	17,235
Other	39,379	70,421
Total other receivables	\$ 447,394	\$ 356,598

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment is as follows as of June 30:

	2019	2018
Leasehold improvements	\$ 452,752	\$ 401,357
Furniture and fixtures	36,000	36,000
Less: accumulated depreciation	(300,805)	(271,053)
Total property and equipment, net	\$ 187,947	\$ 166,304

Depreciation expense was \$29,750 and \$38,417 for the years ended June 30, 2019 and 2018, respectively.

NOTE 4 – ACCRUED EXPENSES

Accrued expenses are as follows as of June 30, 2019 and 2018:

	2019	2018
Salaries and benefits	\$ 1,320,863	\$ 1,155,869
Other	-	10,163
Total accrued expenses	\$ 1,320,863	\$ 1,166,032

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2019 consisted of purpose restricted contributions from donors in the amount of \$21,663. There were no net assets with donor restrictions as of June 30, 2018.

**CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restriction as of June 30 consisted of the following purpose restricted amounts:

	2019	2018
Emeril Lagasse Foundation	\$ 8,457	\$ -
YouthForce NOLA	3,206	-
Jones Foundation	10,000	-
Total net assets with donor restrictions	\$ 21,663	\$ -

NOTE 6 – SCHOOL OPERATIONS/LEASEHOLD INTEREST

Akili Academy of New Orleans (Akili)

The School was party to an agreement with the State of Louisiana, Department of Education, and Recovery School District (RSD) which allows Akili to use the facilities and its contents free of charge located at 3811 North Galvez Street, New Orleans, Louisiana 70117 beginning January 1, 2017. This agreement expired on June 30, 2018.

At June 30, 2018, the lease at 3811 North Galvez Street terminated as the facility was released from RSD's control and put under the control of the Orleans Parish School Board (OPSB). OPSB renewed this lease as of July 1, 2018 with the same terms and conditions stipulated in the RSD agreements. The agreement expires on June 30, 2024.

Harriet Tubman Charter School (HT)

The School was party to an agreement with the State of Louisiana, Department of Education, and RSD, which allows HT to use the facilities, located at 2832 General Meyer Avenue, New Orleans, Louisiana 70114, and its contents free of charge. The agreement expired on June 30, 2014. The parties had agreed to the continued use of the facility until a new lease can be negotiated.

At June 30, 2018 the lease at 2832 General Meyer Avenue terminated as the facility was released from RSD's control and put under the control of the Orleans Parish School Board (OPSB). OPSB renewed this lease as of July 1, 2018 with the same terms and conditions stipulated in the RSD agreements. The agreement expired in June 2019.

In May 2018, the School entered into a sublease agreement with the New Orleans School Facility Finance Foundation to lease the facilities located at 2013 General Meyer Avenue, New Orleans, Louisiana 70114, and its contents at a monthly rate of \$73,108 from August 2018 through July 2023. The School receives additional MFP funding and OPSB subsidies to offset the cost of the sublease.

**CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – SCHOOL OPERATIONS/LEASEHOLD INTEREST (CONTINUED)

Harriet Tubman Charter School (HT) (Continued)

For the year ended June 30, 2019, the additional MFP funds and OPSB subsidies received did sufficiently offset the lease payments required under this sublease agreement. Per an agreement between OPSB and the property owner, the additional rent subsidies from OPSB will continue throughout the life of the lease.

At April 1, 2019, in order to support the planned expansion of HT, the School also entered into an additional agreement with Beau Bayou LLC which allows HT to use the facilities located at 2701 West Lawrence Street, New Orleans, Louisiana 70114 and its contents at a monthly rate of \$20,000. The agreement expires on September 30, 2019 or with the purchase of the facilities. In July 2019, the Crescent City Schools Foundation, Inc. (see Note 12) purchased this building.

Paul Habans Charter School (Habans)

The School was party to an agreement with the State of Louisiana, Department of Education, RSD which allows Habans to use the facilities and its contents free of charge located at 3501 Seine Drive, New Orleans, Louisiana 70114 beginning June 21, 2016.

At June 30, 2018, the lease at 3501 Seine Drive terminated as the facility was released from RSD's control and put under the control of the Orleans Parish School Board (OPSB). OPSB renewed this lease as of July 1, 2018 with the same terms and conditions stipulated in the RSD agreements. The agreement expires on June 30, 2021.

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

Additional Lease Disclosures

Use of property, including fixtures, furniture and equipment provided by RSD and OPSB free of charge is not recorded as an in-kind contribution. The value of the land and buildings is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – SCHOOL OPERATIONS/LEASEHOLD INTEREST (CONTINUED)

Additional Lease Disclosures (Continued)

As of June 30, 2019, future lease payments on long-term noncancelable operating leases are as follows:

Years ending June 30:	
2020	\$ 877,293
2021	877,293
2022	877,293
2023	877,293
2024	73,108
Thereafter	-
Total	\$ 3,582,280

NOTE 7 – RETIREMENT PLAN

The School maintains a safe-harbor 401(k) plan covering all eligible employees. The School matches 100% of an employees' deferrals up to the following limits based on years of employment with the School:

Less than 4 years	Up to 4% of total compensation
4-9 years	Up to 5% of total compensation
9-14 years	Up to 6% of total compensation
Greater than 14 years	Up to 7% of total compensation

Matching contributions for the years ended June 30, 2019 and 2018 totaled \$550,028 and \$529,001, respectively.

NOTE 8 – CONCENTRATION OF CREDIT RISK

The School maintained cash deposits at a financial institution during the years ended June 30, 2019 and 2018. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2019 and 2018, the cash balance in excess of insured amounts was \$996,719 and \$763,245, respectively. The School has not experienced any losses in such accounts. The School has no policy requiring collateral or other security to support its deposits.

The School requires no collateral to secure the federal grant receivables or other receivable balances.

CRESCENT CITY SCHOOLS NOTES TO FINANCIAL STATEMENTS

NOTE 8 – CONCENTRATION OF CREDIT RISK (CONTINUED)

The School received a substantial amount of its revenue through grants awarded by the federal, state, and local governments, which totaled approximately 93% and 91% of total revenue for the years ended June 30, 2019 and 2018, respectively.

All of the students of Crescent City Schools live in the Greater New Orleans area.

NOTE 9 – CASH EQUIVALENT – LAMP

LAMP Investments of \$3,829,481 as of June 30, 2019, which are stated at amortized cost using published market quotes at June 30, 2019, consisted of investments in the Louisiana Asset Management Pool, Inc. (LAMP), a Louisiana investment pool. There was no LAMP Investment balance as of June 30, 2018.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only certain local entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which certain local entities in Louisiana are authorized to invest in accordance with LA-RS 33:2955. LAMP is rated AAAM by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

NOTE 10 – CONTINGENCIES

The continuation of the School is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contracts with OPSB. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contracts, or if such appropriation is reduced by the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues from that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contracts, the contracts shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.



**CRESCENT CITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The School has \$5,059,772 of financial assets available within one year of the statement of financial position dated June 30, 2019 to meet cash needs for general expenditures. This balance includes cash and cash equivalents of \$4,295,819 and receivables of \$763,953. Restricted cash and other current assets (prepaid expenses and deposits) were not included as these assets, by nature of the asset, have been partitioned for specific expenditures. Receivables are subject to implied time restrictions but are expected to be collected within one year. The School manages its liquidity required to meet its operating needs while also trying to maximize the investment of its available funds through the use of the School's LAMP account (see Note 9). Cash balances in excess of management's estimated short term requirements are invested in the School's LAMP account.

Management believes the School's available financial resources are appropriate.

NOTE 12 – SUBSEQUENT EVENTS

In July 2019, subsequent to the date of the financial statements, the Crescent City Schools Foundation, Inc. was formed for the benefit of, to perform the functions of, and to carry out the purposes of the School. This entity will be consolidated in subsequent financial statements due to common controlling and economic interests with the School.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 20, 2019, and determined that no other events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion in these financial statements.



Supplementary Information

CRESCENT CITY SCHOOLS
INTEGRATED STATEMENT OF FINANCIAL POSITION

<i>As of June 30, 2019</i>	CMO	Akili Academy	Harriet Tubman	Habans	Eliminating Entries	Total
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 503,688	\$ 499,254	\$ 2,186,105	\$ 1,106,772	\$ -	\$ 4,295,819
Restricted cash	21,663	-	-	-	-	21,663
Grant receivables	-	57,720	135,328	123,511	-	316,559
Other receivables	12,376	234,402	113,744	86,872	-	447,394
Due from affiliate	-	26,774	88,417	90,281	(205,472)	-
Prepaid expenses	2,500	46,753	37,021	79,082	-	165,356
Deposits	-	2,500	21,650	47,041	-	71,191
Total Current Assets	540,227	867,403	2,582,265	1,533,559	(205,472)	5,317,982
PROPERTY AND EQUIPMENT, net	-	73,042	-	114,905	-	187,947
TOTAL ASSETS	\$ 540,227	\$ 940,445	\$ 2,582,265	\$ 1,648,464	\$ (205,472)	\$ 5,505,929
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	\$ 22,787	\$ 159,575	\$ 839,009	\$ 131,770	\$ -	\$ 1,153,141
Due to affiliate	61,949	67,546	62,331	13,646	(205,472)	-
Accrued expenses	965	377,935	548,736	393,227	-	1,320,863
Deferred revenues	-	30,000	30,000	-	-	60,000
Total Current Liabilities	85,701	635,056	1,480,076	538,643	(205,472)	2,534,004
NET ASSETS						
Without donor restriction	454,526	297,183	1,102,189	1,096,364	-	2,950,262
With donor restrictions	-	8,206	-	13,457	-	21,663
Total Net Assets	454,526	305,389	1,102,189	1,109,821	-	2,971,925
TOTAL LIABILITIES AND NET ASSETS	\$ 540,227	\$ 940,445	\$ 2,582,265	\$ 1,648,464	\$ (205,472)	\$ 5,505,929

See Independent Auditor's Report.

CRESCENT CITY SCHOOLS
INTEGRATED STATEMENT OF FINANCIAL POSITION

<i>As of June 30, 2018</i>	CMO	Akili Academy	Harriet Tubman	Habans	Eliminating Entries	Total
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 228,134	\$ 625,693	\$ 1,149,544	\$ 700,143	\$ -	\$ 2,703,514
Grant receivables	-	178,508	154,399	186,823	-	519,730
Other receivables	34,925	60,743	154,006	106,924	-	356,598
Due from affiliate	1,026,339	303,209	773,738	335,613	(2,438,899)	-
Prepaid expenses	17,503	69,798	64,365	75,076	-	226,742
Deposits		2,500	1,650	47,041	-	51,191
Total Current Assets	1,306,901	1,240,451	2,297,702	1,451,620	(2,438,899)	3,857,775
PROPERTY AND EQUIPMENT, net	-	83,426	5,941	76,937	-	166,304
TOTAL ASSETS	\$ 1,306,901	\$ 1,323,877	\$ 2,303,643	\$ 1,528,557	\$ (2,438,899)	\$ 4,024,079
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	\$ 100,918	\$ 196,873	\$ 168,830	\$ 160,518	\$ -	\$ 627,139
Due to affiliate	742,994	675,654	751,145	269,106	(2,438,899)	-
Accrued expenses	11,824	363,397	440,376	350,435	-	1,166,032
Deferred revenues	-	50,000	288,000	10,438	-	348,438
Total Current Liabilities	855,736	1,285,924	1,648,351	790,497	(2,438,899)	2,141,609
NET ASSETS						
Without donor restriction	451,165	37,953	655,292	738,060	-	1,882,470
Total Net Assets	451,165	37,953	655,292	738,060	-	1,882,470
TOTAL LIABILITIES AND NET ASSETS	\$ 1,306,901	\$ 1,323,877	\$ 2,303,643	\$ 1,528,557	\$ (2,438,899)	\$ 4,024,079

See Independent Auditor's Report.

CRESCENT CITY SCHOOLS
INTEGRATED STATEMENT OF ACTIVITIES

<i>For the Year Ended June 30, 2019</i>	CMO	Akili Academy	Harriet Tubman	Habans	Eliminating Entries	Total
REVENUE AND OTHER SUPPORT						
Local per pupil aid - MFP	\$ -	\$ 3,427,041	\$ 5,302,274	\$ 3,659,906	\$ -	\$ 12,389,221
Federal grants	-	1,724,671	2,122,254	1,880,178	-	5,727,103
State public school funds - MFP	-	3,083,785	3,946,466	2,855,459	-	9,885,710
Other grants, contributions, and donations	26,162	345,379	413,291	117,041	-	901,873
Other sources	1,489,154	230,928	950,722	430,889	(1,653,485)	1,448,208
Total Revenues and Other Support	1,515,316	8,811,804	12,735,007	8,943,473	(1,653,485)	30,352,115
EXPENSES						
Program Services:						
Instructional	-	4,291,000	5,644,380	4,471,388	(277,722)	14,129,046
School Administration	205,581	278,161	835,653	363,992	-	1,683,387
Pupil Support Services	99,788	692,400	922,917	678,270	-	2,393,375
Instructional Staff Services	140,595	666,068	692,019	567,844	-	2,066,526
Supporting Services:						
General Administration	1,168	120,414	169,993	119,825	-	411,400
Central Services	673,830	411,572	582,215	429,518	(1,359,871)	737,264
Food Services	-	726,063	885,634	752,795	-	2,364,492
Business Services	374,740	246,820	334,330	246,461	-	1,202,351
Ancillary Services	16,242	1,111,871	2,220,979	941,619	(15,892)	4,274,819
Total Expenses	1,511,944	8,544,369	12,288,120	8,571,712	(1,653,485)	29,262,660
CHANGE IN NET ASSETS	3,372	267,435	446,887	371,761	-	1,089,455
NET ASSETS, Beginning of Year	451,154	37,954	655,302	738,060	-	1,882,470
NET ASSETS, End of Year	\$ 454,526	\$ 305,389	\$ 1,102,189	\$ 1,109,821	\$ -	\$ 2,971,925

See Independent Auditor's Report.

CRESCENT CITY SCHOOLS
INTEGRATED STATEMENT OF ACTIVITIES

<i>For the Year Ended June 30, 2018</i>	CMO	Akili Academy	Harriet Tubman	Habans	Eliminating Entries	Total
REVENUE AND OTHER SUPPORT						
Local per pupil aid - MFP	\$ -	\$ 3,334,102	\$ 3,342,322	\$ 3,269,789	\$ -	\$ 9,946,213
Federal grants	19,500	1,518,436	1,401,879	1,449,294	-	4,389,109
State public school funds - MFP	-	2,923,527	3,108,248	2,651,345	-	8,683,120
Other grants, contributions, and donations	33,348	297,006	453,993	423,483	-	1,207,830
Other sources	1,457,437	254,482	539,471	312,689	(1,472,184)	1,091,895
Total Revenues and Other Support	1,510,285	8,327,553	8,845,913	8,106,600	(1,472,184)	25,318,167
EXPENSES						
Program Services:						
Instructional	-	4,010,286	4,030,870	3,844,071	(227,137)	11,658,090
School Administration	200,573	283,783	541,111	358,782	-	1,384,249
Pupil Support Services	158,836	761,964	1,048,332	677,764	-	2,646,896
Instructional Staff Services	156,659	561,278	579,209	535,096	-	1,832,242
Supporting Services:						
General Administration	1,198	122,591	126,599	116,020	-	366,408
Central Services	597,854	437,906	455,079	417,795	(1,227,044)	681,590
Food Services	-	719,439	619,041	632,145	-	1,970,625
Business Services	356,113	186,339	229,918	198,095	-	970,465
Ancillary Services	35,716	1,226,355	1,128,871	912,757	(18,003)	3,285,696
Total Expenses	1,506,949	8,309,941	8,759,030	7,692,525	(1,472,184)	24,796,261
CHANGE IN NET ASSETS	3,336	17,612	86,883	414,075	-	521,906
NET ASSETS, Beginning of Year	447,818	20,342	568,419	323,985	-	1,360,564
NET ASSETS, End of Year	\$ 451,154	\$ 37,954	\$ 655,302	\$ 738,060	\$ -	\$ 1,882,470

See Independent Auditor's Report.

**CRESCENT CITY SCHOOLS
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2019**

Agency Head Name: Kate Mehok, CEO

PURPOSE	AMOUNT
Salary	\$ 178,500
Benefits-health insurance	9,374
Benefits-retirement	6,729
Deferred compensation	-
Workers comp	1,119
Benefits-life insurance	15
Benefits-long term disability	-
Benefits-Fica and Medicare	10,476
Car allowance	-
Vehicle provided by government	-
Cell phone	1,168
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	621
Registration fees	284
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other-short term disability	486
Total	\$ 208,773

See Independent Auditors' Report.

CRESCENT CITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Grantor/Program Title	Federal CFDA Number	Federal Award Program Number	Funds Passed to Subrecipients	Total Expenditures
<u>U.S. Department of Education</u>				
<i>Passed-through LA Dept of Education</i>				
Title I Grants to Local Educational Agencies Charter Schools	84.010		\$ -	\$ 1,455,090
	84.282			77,100
Special Education Cluster (IDEA)			-	
Special Education - Grants to States	84.027		-	635,166
Special Education - Preschool Grants	84.173		-	9,105
Total Special Education Cluster (IDEA)			-	644,271
English Language Acquisition State Grants	84.365		-	13,050
Improving Teacher Quality State Grants	84.367		-	154,921
Student Support and Academic Enrichment Program (Title IV)	84.424		-	94,267
Total U.S. Department of Education			-	2,438,699
<u>U.S. Department of Agriculture</u>				
<i>Passed-through LA Dept of Education</i>				
Child Nutrition Cluster				
National School Lunch Program	10.555		-	2,936,445
Total Child Nutrition Cluster			-	2,936,445
Total U.S. Department of Agriculture			-	2,936,445
<u>U.S. Department of Health and Human Services</u>				
<i>Passed-through LA Dept of Education</i>				
TANF Cluster				
Temporary Assistance for Needy Families	93.558		-	351,959
Total TANF Cluster			-	351,959
Total U.S. Department of Health and Human Services			-	351,959
Total Federal Assistance			\$ -	\$ 5,727,103

See Independent Auditors' Report and accompanying notes to the Schedule of Expenditures of Federal Awards.

CRESCENT CITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the School. The School's reporting entity is defined in Note 1 to the School's basic financial statements. All federal awards were received directly from federal agencies and are included on the Schedule of Expenditures of Federal Awards, as well as federal assistance passed through government agencies.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School and is presented on the accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The School has not elected to use the 10% de minimis indirect rate allowed under the Uniform Guidance.

NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award revenues are reported in the School's basic financial statements as federal grant revenues.

NOTE 4 – LOAN

The School did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2019.

NOTE 5 – FEDERALLY FUNDED INSURANCE

The School had no federally funded insurance for the year ended June 30, 2019.

NOTE 7 – NONCASH ASSISTANCE

The School did not receive any federal noncash assistance for the year ended June 30, 2019.

NOTE 8 – ON-BEHALF PAYMENTS

The School did not have on-behalf payments for the fiscal year ended June 30, 2019.

**CRESCENT CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards

- | | |
|---|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? | None noted |
| 4. Identification of the major programs: | |

Name of Federal Award (or Cluster)	CFDA No.
Title I Grants to Local Educational Agencies	84.010

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | Yes |



**CRESCENT CITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

II – FINDINGS RELATED TO FINANCIAL STATEMENT COMPLIANCE

None noted.

III – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None noted.

IV – MANAGEMENT LETTER

None issued.



**CRESCENT CITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

II – FINDINGS RELATED TO FINANCIAL STATEMENT COMPLIANCE

None noted.

III – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None noted.

IV – MANAGEMENT LETTER

None issued.

CRESCENT CITY SCHOOLS

BESE AGREED-UPON PROCEDURES REPORT

June 30, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRlcpa.com



Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 837-9116
(504) 837-0123(fax)
www.CRIcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors, the Louisiana Department of Education,
and the Louisiana Legislative Auditor of
Crescent City Schools
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Crescent City Schools (a nonprofit organization) (CCS); the Louisiana Department of Education, and the Louisiana Legislative Auditor on the performance and statistical data accompanying the annual financial statements of CCS for the fiscal year ended June 30, 2019; 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 CCS is responsible for the 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 results are as follows:

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

1. We will select a sample of 25 transactions, review supporting documentation, and observe that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - 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, and
 - Nonpublic Transportation Revenue.

Results: No exceptions were found as a result of applying the procedure.

Class Size Characteristics (Schedule 2)

2. We will obtain a list of classes by school, school type, and class size as reported on the schedule. We will then trace a sample of 10 classes to the October 1st roll books for those classes and observe that the class was properly classified on the schedule.

Results: No exceptions were found as a result of applying the procedure. Although the schedule reports regular classes with enrollment above the maximum students allowed, this requirement is not applicable to charter schools.

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

3. We will obtain 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 obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, traced to each individual's personnel file, and observe that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Results: No exceptions were found as a result of applying the procedure.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

Results: No exceptions were found as a result of applying the procedure.

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 Crescent City Schools, 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.

Carr, Riggs & Ingram, L.L.C.

December 20, 2019

**CRESCENT CITY SCHOOLS
SCHEDULE 1**

**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2019**

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 1,953,357	
Other instructional staff activities	241,442	
Instructional Staff Employee benefits	650,622	
Purchased professional and technical services	140,656	
Instructional materials and supplies	261,441	
Less instructional equipment	-	
Total teacher and student interaction activities		3,247,518

Other instructional activities	122,443
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Pupil support activities	680,211
Less equipment for pupil support activities	-
Net pupil support activities	680,211

Instructional Staff Services	497,958
Less equipment for instructional staff services	-
Net instructional staff services	497,958

School Administration	343,202
Less: Equipment for School Administration	-
Net School Administration	343,202

Total general fund instructional expenditures	\$ 4,891,332
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Certain Local Revenue Sources

Not applicable to the School

See independent accountants' report on applying Agreed-Upon Procedures.

**CRESCENT CITY SCHOOLS
SCHEDULE 2**

**CLASS SIZE CHARACTERISTICS
AS OF OCTOBER 1, 2018**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	43%	264	26%	162	21%	131	4%	23
Elementary Activity Classes	1%	5	0%	2	3%	20	2%	11
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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.