

**JCFA**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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## **Independent Auditor's Report**

September 28, 2020

The Board of Governance  
JCFA

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

We have audited the accompanying combining financial statements of JCFA (a nonprofit organization), which comprise the combining statement of financial position as of June 30, 2020, and the related combining statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combining financial statements.

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

Management is responsible for the preparation and fair presentation of these combining 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 combining financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these combining 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 combining financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combining financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combining 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 combining financial statements referred to above present fairly, in all material respects, the financial position of JCFA as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the combining financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The compensation schedule is required by LA R.S. 24:513. The supplementary schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic 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 September 28, 2020, on our consideration of JCFA'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 JCFA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*Hienz & Macaluso, LLP*  
Metairie, LA

**JCFA**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**

	<u>CMO</u>	<u>WEST BANK</u>	<u>EAST BANK</u>	<u>LAFAYETTE</u>	<u>TOTAL</u>
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 125,825	\$ 362,462	\$ 187,228	\$ 17,467	\$ 692,982
Accounts Receivable	14,526	125,163	181,707	39,243	360,639
Prepaid Expenses	13,333	1,506	-	16,560	31,399
<b>Total Current Assets</b>	<u>153,684</u>	<u>489,131</u>	<u>368,935</u>	<u>73,270</u>	<u>1,085,020</u>
<b>Fixed Assets:</b>					
Computers	-	120,227	73,194	15,370	208,791
Software	-	19,101	-	-	19,101
Furniture and Fixtures	3,642	-	5,537	10,647	19,826
Leasehold Improvements	-	15,650	80,956	-	96,606
Accumulated Depreciation	(2,895)	(152,171)	(141,999)	(14,002)	(311,067)
<b>Total Fixed Assets, Net</b>	<u>747</u>	<u>2,807</u>	<u>17,688</u>	<u>12,015</u>	<u>33,257</u>
<b>Total Assets</b>	<u>\$ 154,431</u>	<u>\$ 491,938</u>	<u>\$ 386,623</u>	<u>\$ 85,285</u>	<u>\$ 1,118,277</u>
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities:</b>					
Accounts Payable and Accrued Liabilities	\$ 20,331	\$ 9,740	\$ 18,404	\$ 9,852	\$ 58,327
<b>Total Current Liabilities</b>	<u>20,331</u>	<u>9,740</u>	<u>18,404</u>	<u>9,852</u>	<u>58,327</u>
<b>Total Liabilities</b>	<u>20,331</u>	<u>9,740</u>	<u>18,404</u>	<u>9,852</u>	<u>58,327</u>
<b>Net Assets:</b>					
Without Donor Restrictions	134,100	\$ 482,198	368,219	75,433	1,059,950
With Donor Restrictions	-	-	-	-	-
<b>Total Net Assets</b>	<u>134,100</u>	<u>482,198</u>	<u>368,219</u>	<u>75,433</u>	<u>1,059,950</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 154,431</u>	<u>\$ 491,938</u>	<u>\$ 386,623</u>	<u>\$ 85,285</u>	<u>\$ 1,118,277</u>

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

**JCFA**  
**COMBINING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>CMO</b>			<b>WEST BANK CAMPUS</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, Grants and Other Support</b>						
State and Local Public School Funding	\$ -	\$ -	\$ -	\$ 1,584,236	\$ -	\$ 1,584,236
Federal Grants	26,774	-	26,774	158,022	-	158,022
Other Income	759,088	-	759,088	20,446	-	20,446
Net Assets Released from Restrictions	-	-	-	-	-	-
<b>Total Revenue, Grants and Other Support</b>	<b>785,862</b>	<b>-</b>	<b>785,862</b>	<b>1,762,704</b>	<b>-</b>	<b>1,762,704</b>
<b>Expenses</b>						
Program Services:						
Special Education Programs	-	-	-	102,327	-	102,327
Career and Technical Education	8	-	8	83,409	-	83,409
Other Instructional Programs	105	-	105	504,501	-	504,501
Pupil Support Services	8,342	-	8,342	223,498	-	223,498
Instructional Staff Services	231,766	-	231,766	5,131	-	5,131
School Administration	140,887	-	140,887	283,095	-	283,095
Operation and Maintenance of Plant	12,369	-	12,369	140,803	-	140,803
Student Transportation Services	-	-	-	10,037	-	10,037
Food Service	-	-	-	2,604	-	2,604
Depreciation	728	-	728	1,813	-	1,813
Management and General:						
General Administration	57,812	-	57,812	455	-	455
Business Services	54,619	-	54,619	257,685	-	257,685
Central Services	235,302	-	235,302	1,041	-	1,041
<b>Total Expenses</b>	<b>741,938</b>	<b>-</b>	<b>741,938</b>	<b>1,616,399</b>	<b>-</b>	<b>1,616,399</b>
<b>Change in Net Assets</b>	<b>43,924</b>	<b>-</b>	<b>43,924</b>	<b>146,305</b>	<b>-</b>	<b>146,305</b>
<b>Net Assets, Beginning of Period</b>	<b>90,176</b>	<b>-</b>	<b>90,176</b>	<b>335,893</b>	<b>-</b>	<b>335,893</b>
<b>Net Assets, End of Period</b>	<b>\$ 134,100</b>	<b>\$ -</b>	<b>\$ 134,100</b>	<b>\$ 482,198</b>	<b>\$ -</b>	<b>\$ 482,198</b>

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

**JCFA**  
**COMBINING STATEMENT OF ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	EAST BANK CAMPUS			LAFAYETTE CAMPUS			Interfund Eliminations	2019 Combined Totals
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
<b>Revenues, Grants and Other Support</b>								
State and Local Public School Funding	\$ 2,352,291	\$ -	\$ 2,352,291	\$ 712,024	-	\$ 712,024	\$ -	4,648,551
Federal Grants	436,726	-	436,726	100,269	-	100,269	-	721,791
Other Income	23,297	-	23,297	180	-	180	(741,936)	61,075
Net Assets Released from Restrictions	-	-	-	-	-	-	-	-
<b>Total Revenue, Grants and Other Support</b>	<b>2,812,314</b>	<b>-</b>	<b>2,812,314</b>	<b>812,473</b>	<b>-</b>	<b>812,473</b>	<b>(741,936)</b>	<b>5,431,417</b>
<b>Expenses</b>								
Program Services:								
Special Education Programs	134,281	-	134,281	28,797	-	28,797	-	265,405
Career and Technical Education	130,284	-	130,284	2,635	-	2,635	-	216,336
Other Instructional Programs	852,417	-	852,417	227,223	-	227,223	-	1,584,246
Pupil Support Services	379,396	-	379,396	176,376	-	176,376	-	787,612
Instructional Staff Services	12,250	-	12,250	888	-	888	-	250,035
School Administration	456,572	-	456,572	111,540	-	111,540	-	992,094
Operation and Maintenance of Plant	314,083	-	314,083	97,429	-	97,429	-	564,684
Student Transportation Services	14,125	-	14,125	1,492	-	1,492	-	25,654
Food Service	11,961	-	11,961	310	-	310	-	14,875
Depreciation	19,426	-	19,426	4,702	-	4,702	-	26,669
Management and General:								
General Administration	480	-	480	1,689	-	1,689	-	60,436
Business Services	374,052	-	374,052	110,883	-	110,883	(741,936)	55,303
Central Services	7,304	-	7,304	3,193	-	3,193	-	246,840
<b>Total Expenses</b>	<b>2,706,631</b>	<b>-</b>	<b>2,706,631</b>	<b>767,157</b>	<b>-</b>	<b>767,157</b>	<b>(741,936)</b>	<b>5,090,189</b>
<b>Change in Net Assets</b>	<b>105,683</b>	<b>-</b>	<b>105,683</b>	<b>45,316</b>	<b>-</b>	<b>45,316</b>	<b>-</b>	<b>341,228</b>
<b>Net Assets, Beginning of Period</b>	<b>262,536</b>	<b>-</b>	<b>262,536</b>	<b>30,117</b>	<b>-</b>	<b>30,117</b>	<b>-</b>	<b>718,722</b>
<b>Net Assets, End of Period</b>	<b>\$ 368,219</b>	<b>\$ -</b>	<b>\$ 368,219</b>	<b>\$ 75,433</b>	<b>\$ -</b>	<b>\$ 75,433</b>	<b>\$ -</b>	<b>\$ 1,059,950</b>

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

**JCFA**  
**COMBINING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	CMO			WEST BANK CAMPUS		
	PROGRAM SERVICES	SUPPORT SERVICES	Total Expenses	PROGRAM SERVICES	SUPPORT SERVICES	Total Expenses
	Instructional	Management and General		Instructional	Management and General	
<b>Expenses:</b>						
Salaries	\$ 298,713	\$ 207,692	\$ 506,405	\$ 818,566	\$ -	\$ 818,566
Social Security	24,031	7,484	31,515	48,170	-	48,170
Medicare	4,375	2,994	7,369	11,291	-	11,291
Unemployment	433	521	954	3,698	-	3,698
Retirement	23,539	14,717	38,256	45,511	46	45,557
Other Benefits	16,857	6,773	23,630	68,584	-	68,584
Purchased Educational Services	-	-	-	-	-	-
Other Professional Services	1,200	52,520	53,720	76,498	-	76,498
Advertising	7,336	3,074	10,410	6	-	6
Travel	6,581	10,164	16,745	1,281	739	2,020
Supplies	981	11,988	12,969	36,744	757	37,501
Utilities	-	-	-	-	-	-
Rent	598	-	598	87,558	-	87,558
Insurance	4,639	27,593	32,232	1,737	-	1,737
Communication	3,042	3,646	6,688	57,448	-	57,448
Repairs and Maintenance	-	-	-	46,663	-	46,663
Transportation	-	-	-	13,089	-	13,089
Food Service Management	-	-	-	4,697	-	4,697
Depreciation Expense	728	-	728	1,813	-	1,813
Other	1,152	(1,433)	(281)	33,864	-	33,864
	<u>\$ 394,205</u>	<u>\$ 347,733</u>	<u>\$ 741,938</u>	<u>\$ 1,357,218</u>	<u>\$ 1,542</u>	<u>\$ 1,358,760</u>

	EAST BANK CAMPUS			LAFAYETTE CAMPUS			2020 COMBINED TOTALS		
	PROGRAM SERVICES	SUPPORT SERVICES	Total Expenses	PROGRAM SERVICES	SUPPORT SERVICES	Total Expenses	PROGRAM SERVICES	SUPPORT SERVICES	Combined Total Expenses
	Instructional	Management and General		Instructional	Management and General		Instructional	Management and General	
<b>Expenses:</b>									
Salaries	\$ 1,303,506	\$ -	\$ 1,303,506	\$ 385,164	\$ -	\$ 385,164	\$ 2,805,949	\$ 207,692	\$ 3,013,641
Social Security	77,599	-	77,599	23,602	-	23,602	173,402	7,484	180,886
Medicare	18,480	-	18,480	5,520	-	5,520	39,666	2,994	42,660
Unemployment	5,199	-	5,199	1,609	-	1,609	10,939	521	11,460
Retirement	71,175	-	71,175	18,319	-	18,319	158,544	14,763	173,307
Other Benefits	121,467	-	121,467	19,908	100	20,008	226,816	6,873	233,689
Purchased Educational Services	-	-	-	-	-	-	-	-	-
Other Professional Services	306,525	6,925	313,450	34,969	-	34,969	419,192	59,445	478,637
Advertising	-	-	-	-	-	-	7,342	3,074	10,416
Travel	2,004	-	2,004	4,946	4,685	9,631	14,812	15,588	30,400
Supplies	101,554	771	102,325	19,813	97	19,910	159,092	13,613	172,705
Utilities	5,828	-	5,828	852	-	852	6,680	-	6,680
Rent	158,024	-	158,024	63,128	-	63,128	309,308	-	309,308
Insurance	-	-	-	9,163	-	9,163	15,539	27,593	43,132
Communication	8,524	715	9,239	33,420	-	33,420	102,434	4,361	106,795
Repairs and Maintenance	82,227	-	82,227	14,734	-	14,734	143,624	-	143,624
Transportation	19,477	-	19,477	2,237	-	2,237	34,803	-	34,803
Food Service Management	12,514	-	12,514	342	-	342	17,553	-	17,553
Depreciation Expense	19,426	-	19,426	4,702	-	4,702	26,669	-	26,669
Other	11,266	11	11,277	8,964	-	8,964	55,246	(1,422)	53,824
	<u>\$ 2,324,795</u>	<u>\$ 8,422</u>	<u>\$ 2,333,217</u>	<u>\$ 651,392</u>	<u>\$ 4,882</u>	<u>\$ 656,274</u>	<u>\$ 4,727,610</u>	<u>\$ 362,579</u>	<u>\$ 5,090,189</u>

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

**JCFA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	CMO	WEST BANK	EAST BANK	LAYAYETTE	INTERFUND ELIMINATIONS	2020 COMBINED TOTALS
<b>Cash Flows from Operating Activities</b>						
Change in Net Assets	\$ 43,924	\$ 146,305	\$ 105,683	\$ 45,316	\$ -	\$ 341,228
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities						
Depreciation	728	1,813	19,426	4,702	-	26,669
Decrease (Increase) in:						
Accounts Receivable	(12,736)	(92,219)	(147,671)	(36,913)	-	(289,539)
Prepaid Expenses	(10,852)	40,606	-	(608)	-	29,146
Due From Other Funds	1,417,683	1,372,317	1,347,806	-	(4,137,806)	-
(Decrease) Increase in:						
Accounts Payable and Accrued Liabilities	20,332	(23,578)	18,404	9,853	-	25,011
Due to Other Funds	<u>(1,367,308)</u>	<u>(1,356,593)</u>	<u>(1,312,066)</u>	<u>(101,839)</u>	<u>4,137,806</u>	<u>-</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>91,771</u>	<u>88,651</u>	<u>31,582</u>	<u>(79,489)</u>	<u>-</u>	<u>132,515</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	91,771	88,651	31,582	(79,489)	-	132,515
<b>Cash and Cash Equivalents, Beginning of Period</b>	<u>34,054</u>	<u>273,811</u>	<u>155,646</u>	<u>96,956</u>	<u>-</u>	<u>560,467</u>
<b>Cash and Cash Equivalents, End of Period</b>	<u>\$ 125,825</u>	<u>\$ 362,462</u>	<u>\$ 187,228</u>	<u>\$ 17,467</u>	<u>\$ -</u>	<u>\$ 692,982</u>

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

**JCFA**  
**NOTES TO COMBINING FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1: Summary of Significant Accounting Policies**

JCFA (the School) was created as a non-profit corporation under the laws of the State of Louisiana on January 27, 2010. The School applied to the Jefferson Parish School Board to operate a Type I charter school. The Jefferson Parish School Board approved the charter of the School for a period of five years commencing on July 1, 2010 and ending on June 30, 2015. Effective in 2020, the charter was renewed for an additional three years expiring June 30, 2022. The School serves eligible students in eighth through twelfth grade.

On October 19, 2011 the State Board of Elementary and Secondary Education (BESE) approved JCFA as an alternative school. The School is required to renew their status as an alternative school annually.

In December 2012, JCFA applied to BESE to operate a Type II charter school at a second location in Jefferson Parish, referred to as the East Bank Campus. BESE has approved a three year charter renewal, effective July 1, 2018 and ending June 30, 2021.

In June 2017, JCFA applied to BESE to operate a Type II charter school in Lafayette, Louisiana. BESE approved a four year contract, effective July 1, 2017 and ending June 30, 2021.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the combining financial statements. The combining financial statements of the School have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

**Basis of Presentation**

The School is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – limited only by the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws and limits resulting from contractual agreements with suppliers, creditors, and others entered into by the organization in the course of its business.

Net Assets with Donor Restrictions – net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The School had no net assets with donor restrictions as of June 30, 2020.

**JCFA**  
**NOTES TO COMBINING FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of combining financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the combining financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Revenues**

The School's primary sources of funding are through the State Public School Fund and federal grants, as well as private donations. Federal grants are recorded on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

**Property and Equipment**

Property and equipment are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School. Depreciation is calculated using the straight line method with useful lives of two to five years.

**Income Taxes**

The School is operating under Section 501(c)(3) of the Internal Revenue Code, and is generally exempt from federal, state and local income taxes. Accordingly, no provision for income taxes is included in the combining financial statements.

**Cash and Cash Equivalents**

For purposes of the combining statement of cash flows, the School considers all unrestricted cash and other highly liquid investments with original maturities of three months or less to be cash equivalents.

**Recent Accounting Pronouncements - Not Yet Adopted**

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled when products are transferred to customers. ASU 2014-09 was to be effective for nonpublic organizations for annual reporting periods beginning after December 15, 2018, though early adoption was permitted. The new revenue standard may be applied retrospectively as of the date of adoption. Management is currently evaluating the impact of adopting this new guidance on its financial statements and does not expect the impact to be significant.

In January 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or

**JCFA**  
**NOTES TO COMBINING FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 was to be effective for financial statements issued for annual periods beginning after December 15, 2019. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

In June 2020, the FASB issued ASU 2020-05 which delays the effective date for *Revenue from Contracts with Customers* to annual periods beginning after December 15, 2019. The ASU also delays the effective date of *Leases* to annual periods beginning after December 15, 2021.

**NOTE 2 - Cash and Cash Equivalents**

At June 30, 2020 cash consists of demand deposits in a local bank of \$692,982.

**NOTE 3 - Accounts Receivable**

Accounts receivable are stated at the amount the School expects to collect from outstanding balances. The combining financial statements do not include an estimate for an allowance for doubtful accounts since the School believes all receivables are collectible.

**NOTE 4 - Concentrations**

The School received approximately 99% of its total revenues from Federal and State grantors. The School maintains cash balances at a financial institution. Cash accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, the School's amounts may exceed the federally insured limits.

**NOTE 5 - Contingencies**

Amounts received or receivable from federal, state or local agencies are subject to audit and adjustment by these agencies. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by such agencies cannot be determined at this time, although the School expects any such amounts to be immaterial.

**JCFA**  
**NOTES TO COMBINING FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 6 - Retirement Plan**

The School provides a 401(k) plan for all regular full-time employees. An employee becomes eligible to participate in the plan on the first day of the month following the date of hire. Contributions to the plan are made by way of pre-tax salary deferrals and are made at the sole discretion of the employee up to the maximum amount allowed by federal law. The School will make a matching contribution equal to two times the amount of the employee contribution up to a maximum of 8%, and all employees are immediately vested. For the year ended June 30, 2020, the School recorded retirement contributions in the amount of \$173,307.

**NOTE 7 - Expense Allocation**

The financial statements report certain categories of expenses that are attributable to either instructional services or management and general services of the School. Virtually all expenses are directly attributable to one of these two categories.

**NOTE 8 - Leases**

The School leases buildings at 475 Manhattan Boulevard, Gretna, Louisiana, under the terms of an operating lease expiring June 30, 2021.

The School leases buildings at 3410 Jefferson Highway, Jefferson, Louisiana under the terms of an operating lease expiring June 30, 2021.

The School leased buildings at 1415 Teche Street, New Orleans, Louisiana under the terms of an operating lease which expired June 30, 2020.

The School leases buildings at 1501 Ambassador Caffery Parkway, Lafayette, Louisiana under the terms of an operating lease expiring June 30, 2021.

The School leases buildings at 2106 Deerfield Road, Terrytown, Louisiana under the terms of an operating lease expiring December 31, 2020.

For the year ended June 30, 2020, total rent expense amounted to \$292,299.

The future minimum lease payments under the above leases are as follows:

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2021	<u>\$276,121</u>

**JCFA**  
**NOTES TO COMBINING FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 9 - Fixed Assets**

For the year ended June 30, 2020, depreciation expense was \$26,669.

All assets acquired with Louisiana Department of Education funds are owned by the School while used in the purpose for which they were acquired. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, any assets purchased with those funds will revert back to the State of Louisiana.

**NOTE 10 - Uncertain Income Taxes**

The School has adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. The implementation of this topic had no impact on the combining statement of financial position or combining statement of activities. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to review by various taxing authorities. The School's open audit period is 2018-2020. Management has evaluated the School's tax positions and concluded that the School has taken no uncertain tax positions that require- adjustment to the combining financial statements to comply with the provisions of this guidance.

**NOTE 11 – Liquidity and Availability of Resources**

At June 30, 2020, the School has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of the following:

Cash	\$ 692,982
Accounts receivable	<u>360,639</u>
	<u><u>\$ 1,053,621</u></u>

The School structures its financial assets to be available as general expenditures, liabilities, and other obligations come due.

**NOTE 12 - Date of Management's Review**

Management has evaluated subsequent events through the date that the combining financial statements were available to be issued, September 28, 2020.

The ongoing spread of the coronavirus disease 2019 (COVID-19), which was declared a pandemic by the World Health Organization in March 2020, has become a threat to the global economy and financial markets. The ultimate impact of COVID-19 on the School and its future operations cannot presently be determined; however, it may result in decreased funding and lower enrollment for the School.



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

September 28, 2020

The Board of Governance  
JCFA

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 combining financial statements of JCFA (a nonprofit organization), which comprise the combining statement of financial position as of June 30, 2020 and the related combining statements of activities, and cash flows for the year then ended, and the related notes to the combining financial statements, and have issued our report thereon dated September 28, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the combining financial statements, we considered JCFA’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 combining financial statements, but not for the purpose of expressing an opinion on the effectiveness of JCFA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the JCFA’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 combining 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 JCFA's combining financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the JCFA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hienz & Macaluso, LLC*  
Metairie, LA

**JCFA**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
**FOR THE PERIOD ENDED JUNE 30, 2020**

**Section I – Summary of Auditor’s Results**

*Internal Control and Compliance Material to the Combining Financial Statements*

Type of auditor’s report issued	Unmodified
<input type="checkbox"/> Material weakness(es) identified?	No
<input type="checkbox"/> Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

*Internal Control and Compliance Material to Federal Awards*

Not applicable.

*Management Letter*

Not applicable.

**Section II – Findings Affecting the Financial Statements**

Not applicable.

**JCFA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE PERIOD ENDED JUNE 30, 2020**

**Section I – Summary of Auditor’s Results**

*Internal Control and Compliance Material to the Combining Financial Statements*

Not applicable.

*Internal Control and Compliance Material to Federal Awards*

Not applicable.

*Management Letter*

Not applicable.

**JCFA**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER**  
**PAYMENTS TO THE AGENCY HEAD**  
**FOR THE PERIOD ENDED JUNE 30, 2020**

**Agency Head:**

**Millie M. Harris**

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ 114,559
Benefits - Employer portion of retirement	9,105
Benefits - Employer portion of medical, dental and vision	4,484
Reimbursements	3,241
Total	<u><u>\$ 131,389</u></u>

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW**  
**(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**



**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

September 28, 2020

The Board of Governance  
JCFA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of JCFA (the School), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of JCFA 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 JCFA 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, reviewed supporting documentation, and observed 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
  - Nonpublic Transportation Revenue

Findings:

None

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<sup>st</sup> roll books for those classes and observed that the class was properly classified on the schedule.

Findings:

None

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

3. We obtained October 1<sup>st</sup> PEP data as 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 and or equivalent listing prepared by management.

Findings:

None

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30<sup>th</sup> 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).

Findings:

None

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 perform 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 JCFA 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.

*Hienz & Macaluso, LLP*  
Metairie, LA

JCFA  
Jefferson Parish, Louisiana

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

<u>General Fund Instructional and Equipment Expenditures</u>	Column B
General Fund Instructional Expenditures:	
Teacher and Student Interaction Activities:	
Classroom Teacher Salaries	\$1,012,565
Other Instructional Staff Activities	\$170,324
Instructional Staff Employee Benefits	\$280,238
Purchased Professional and Technical Services	\$205,239
Instructional Materials and Supplies	\$41,195
Instructional Equipment	\$0
Total Teacher and Student Interaction Activities	\$1,709,561
Other Instructional Activities	\$0
Pupil Support Services	\$712,732
Less: Equipment for Pupil Support Services	-
Net Pupil Support Services	<u>\$712,732</u>
Instructional Staff Services	\$244,777
Less: Equipment for Instructional Staff Services	-
Net Instructional Staff Services	<u>\$244,777</u>
School Administration	\$990,947
Less: Equipment for School Administration	-
Net School Administration	<u>\$990,947</u>
Total General Fund Instructional Expenditures (Total of Column B)	<u><u>\$3,658,017</u></u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)	<u><u>-</u></u>

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

JCFA  
Jefferson Parish, Louisiana

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

Certain Local Revenue Sources

Local Taxation Revenue:

Advalorem Taxes

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	-
Result of Court Ordered Settlement (Ad Valorem)	-
Penalties/Interest on Ad Valorem Taxes	-
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)	-

Sales Taxes

Sales and Use Taxes - Gross	-
Sales/Use Taxes - Court Settlement	-
Penalties/Interest on Sales/Use Taxes	-
Sales/Use Taxes Collected Due to TIF	-
Total Local Taxation Revenue	<u>-</u>

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	<u>-</u>

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	<u>-</u>

Nonpublic Textbook Revenue

Nonpublic Textbook Revenue	-
Nonpublic Transportation Revenue	<u>\$ -</u>

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

Class Size Characteristics  
 As of October 1, 2019

	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Class								
Middle High								
Middle High Activity Class								
High	98%	45	2%	1	0%	0	0%	0
High Activity Class	100%	3	0%	0	0%	0	0%	0
Combination	95%	132	3%	4	1%	2	1%	1
Combination Activity Class	100%	13	0%	0	0%	0	0%	0

See Independent Accountant's Report on Applying Agreed-Upon Procedures.