

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL**

FINANCIAL REPORT

JUNE 30, 2019

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL**

FINANCIAL STATEMENTS
JUNE 30, 2019
CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1 - 2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 15
OTHER REPORTS AND SCHEDULES	
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 <u>Government Auditing Standards</u>	17 - 18
Schedule of Findings and Questioned Costs	19
Schedule of Prior Year Findings	20
Management's Corrective Action Plan	21
Schedule of Compensation, Benefits and Other Payments	22
PERFORMANCE AND STATISTICAL DATA	
SCHEDULES REQUIRED BY STATE LAW	
Independent Accountant's Report on Applying Agreed-Upon Procedures	24 - 25
Schedules Required by Louisiana State Law (R.S. 24:514 - Performance and Statistical Data)	26
Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	27
Schedule 2 - Class Size Characteristics	28

DON M. McGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Drive, Suite A
Ruston, Louisiana 71273-1344

INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Beekman Alumni and Friends, Inc.
dba Beekman Charter School
15190 A M Baker Road
Bastrop, Louisiana 71220

Report on the Financial Statements

I have audited the accompanying financial statements of Beekman Alumni and Friends, Inc., DBA Beekman Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beekman Charter School as of June 30, 2019 and 2018, 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

My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits, and Other Payments is presented for purposes of additional analysis and is 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 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Performance and Statistical Data included as Schedules 1 through 2, as required by Louisiana Revised Statute 24:514, are presented for purposes of additional analysis and are 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, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated November 22, 2019, on my consideration of the Beekman Charter School's internal control over financial reporting and my 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 my 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 Beekman Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Beekman Charter School's internal control over financial reporting and compliance.



Don M. McGehee
Certified Public Accountant
November 22, 2019

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,766,652	\$ 2,000,498
Investments	21,834	14,465
Grants Receivable	0	21,222
Unconditional Promises to Give-		
Without Donor Restrictions	1,988	0
Restricted to Current Portion of Long-Term Debt	1,856	1,729
Prepaid Expense	45,565	29,335
Interest Receivable	<u>2,032</u>	<u>2,008</u>
TOTAL CURRENT ASSETS	<u>2,839,927</u>	<u>2,069,257</u>
RESTRICTED CASH AND INVESTMENTS		
Cash	177,384	170,997
Investments	<u>575,000</u>	<u>575,000</u>
TOTAL RESTRICTED CASH AND INVESTMENTS	<u>752,384</u>	<u>745,997</u>
LONG-TERM UNCONDITIONAL PROMISES TO GIVE		
Restricted to Payment of Long-Term Debt	1,918	3,836
PROPERTY, PLANT AND EQUIPMENT - NET		
	<u>2,395,690</u>	<u>2,433,877</u>
TOTAL ASSETS	<u>\$ 5,989,919</u>	<u>\$ 5,252,967</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 103,850	\$ 227,612
Accrued Payroll and Related Amounts	1,059,195	926,473
Due to Others	24,045	34,833
Current Portion of Long-Term Debt	282,629	288,184
Accrued Interest Payable	437	717
Current Portion of Compensated Absences	<u>36,855</u>	<u>40,567</u>
TOTAL CURRENT LIABILITIES	<u>1,507,011</u>	<u>1,518,386</u>
LONG-TERM DEBT (Less Current Portion)	636,274	490,806
COMPENSATED ABSENCES LIABILITY	<u>270,664</u>	<u>196,938</u>
TOTAL LIABILITIES	<u>2,413,949</u>	<u>2,206,130</u>
NET ASSETS		
Without Donor Restrictions		
Designated by the Board for Loan Collateral	575,000	575,000
Undesignated	2,819,812	2,295,275
With Donor Restrictions	<u>181,158</u>	<u>176,562</u>
TOTAL NET ASSETS	<u>3,575,970</u>	<u>3,046,837</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,989,919</u>	<u>\$ 5,252,967</u>

See accompanying notes to financial statements.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
SUPPORT AND REVENUES		
Grants		
State Minimum Foundation Program	\$ 5,940,845	\$ 5,902,696
Local Minimum Foundation Program	2,682,032	2,794,192
Federal Grant	2,781	8,816
Food Service Revenue	56,171	84,800
Student Activity Revenue	38,408	133,225
Sale of School Uniforms	0	28,565
Contributions	197	619
Fee Revenue	1,280	1,240
Interest Income	7,394	7,302
Other	3,660	0
TOTAL REVENUES WITHOUT DONOR RESTRICTIONS	8,732,768	8,961,455
Net Assets Released from Restrictions	1,791	1,729
TOTAL REVENUES AND OTHER CHANGES WITHOUT DONOR RESTRICTIONS	8,734,559	8,963,184
EXPENSES		
Program Services		
Instruction		
Regular Education Programs	4,334,638	4,479,582
Special Education Programs	382,087	348,200
Career and Technical Education Programs	88,578	120,118
Other Programs	295,201	318,333
Special Programs	97,770	97,682
Pupil Support Services	254,780	202,136
Instructional Staff Services	298,890	172,177
Operation and Maintenance of Plant Services	741,797	763,074
Student Transportation Services	636,686	629,005
Management and General		
General Administration	300,368	283,228
School Administration	452,292	440,104
Business Services	204,618	185,772
Central Services	122,317	125,906
Fundraising	0	100
Cost of School Uniforms Sold	0	18,266
TOTAL EXPENSES	8,210,022	8,183,683
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	524,537	779,501
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
School Activity Funds	(5,364)	36,215
Contributions for Scholarships	11,751	21,236
Net Assets Released from Restrictions	(1,791)	(1,729)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	4,596	55,722
CHANGE IN NET ASSETS	529,133	835,223
NET ASSETS AT BEGINNING OF YEAR	3,046,837	2,211,614
NET ASSETS AT END OF YEAR	\$ 3,575,970	\$ 3,046,837

See accompanying notes to financial statements.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Government and Others	\$ 8,752,786	\$ 8,992,112
Cash Payments for Goods and Services	(3,858,660)	(3,670,937)
Cash Payments to Employees	(4,147,580)	(3,981,926)
Interest Received	7,368	7,278
Interest Paid	<u>(33,215)</u>	<u>(18,566)</u>
Net Cash Provided by Operating Activities	<u>720,699</u>	<u>1,327,961</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(80,702)	(212,212)
Construction of Building and Stadium	0	(856,932)
Interest Paid on Construction Loan	0	(10,032)
Purchase of Investments	<u>(7,368)</u>	<u>(7,278)</u>
Net Cash Used by Investing Activities	<u>(88,070)</u>	<u>(1,086,454)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loans	418,722	455,698
Principal Payments on Long-Term Debt	<u>(278,810)</u>	<u>(204,358)</u>
Net Cash Provided by Financing Activities	<u>139,912</u>	<u>251,340</u>
NET INCREASE IN CASH	772,541	492,847
CASH AT BEGINNING OF YEAR	<u>2,171,495</u>	<u>1,678,648</u>
CASH AT END OF YEAR	<u>\$ 2,944,036</u>	<u>\$ 2,171,495</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 529,133	\$ 835,223
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	118,889	42,135
(Increase) Decrease in Grant Receivables	21,222	(21,222)
(Increase) Decrease in Promises to Give	(197)	1,729
(Increase) Decrease in Interest Receivable	(25)	(25)
(Increase) Decrease in Prepaid Expenses	(16,230)	(20,566)
Increase (Decrease) in Accounts Payable	(123,762)	172,545
Increase (Decrease) in Accrued Liabilities	98,470	288,557
Increase (Decrease) in Due to Others	(10,788)	(38,052)
Increase (Decrease) in Contracts Payable	0	(15,844)
Increase (Decrease) in Accrued Interest Payable	(280)	346
Increase (Decrease) in Salaries Payable	34,252	29,088
Increase (Decrease) in Compensated Absences	<u>70,015</u>	<u>54,047</u>
Total Adjustments	<u>191,566</u>	<u>492,738</u>
Net Cash Provided by Operating Activities	<u>\$ 720,699</u>	<u>\$ 1,327,961</u>
CASH PER STATEMENT OF FINANCIAL POSITION:		
Current Cash	\$ 2,766,652	\$ 2,000,498
Restricted Cash	<u>177,384</u>	<u>170,997</u>
TOTAL CASH AT END OF YEAR	<u>\$ 2,944,036</u>	<u>\$ 2,171,495</u>

See accompanying notes to financial statements.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Beekman Alumni and Friends, Inc., was incorporated on May 29, 2012, under the provisions of Title 12, Chapter 1, 2, and 3, of the Louisiana Revised Statutes. On May 9, 2013, the State of Louisiana approved their application for the trade name Beekman Charter School (the "School"). The School is exclusively for educational purposes with respect to operating Beekman Charter School in Morehouse Parish, Louisiana. The School is supported primarily through the Minimum Foundation Program (MFP) funded by the State of Louisiana and the Morehouse Parish School Board. This support is based on the number of eligible students in attendance on the School's official pupil count day each year. The MFP revenue for the year ended June 30, 2019, accounts for 99% of the School's total support.

The Morehouse Parish School Board (MPSB) approved the granting of a charter to the School effective July 1, 2013, for a period of five years contingent upon an evaluation following the third year of operation based on site visits, annual performance reports, and any information MPSB deemed relevant and necessary as provided in Louisiana R.S. 17:3992 and 3998(A)(2), pursuant to MPSB policy and BESE Bulletin 126. Terms of the approval also provided the charter contract may be renewed at the discretion of MPSB at the expiration of the initial five year term, June 30, 2018, pursuant to applicable provisions of Title 17, Chapter 42, of the Louisiana Revised Statutes and MPSB and BESE policy. MPSB renewed and extended the charter for a period of ten years, through June 30, 2028. The School is a Type 3 Charter School, as defined in Louisiana R.S. 17:3973(3)(b).

The School files an information return for organizations exempt from Federal Income tax under the provisions of section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a public charity. If the School loses the exempt status, any income in future years could be taxed at normal corporate rates.

The School adopted *Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This new standard requires changes in how net assets are classified. Only two classes of net assets are reported under the new standard based on whether there are any donor restrictions. Changes to the accompanying disclosures are also implemented.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the School are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Income is recognized when earned and expenses are recognized when incurred.

FINANCIAL STATEMENT PRESENTATION

The School follows the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, as updated by ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, 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 - Net assets not subject to donor-imposed restrictions.

Some unrestricted net assets may be designated by the board of directors of the School for specific purposes.

Net Assets With Donor Restrictions - Net assets subject to a donor-imposed restriction that is a donor stipulation for the use of a contributed asset that is more specific than the broad limits resulting from the School's nature, environment, and purpose.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of 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 disclosure 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 AND INVESTMENTS

Cash, which is held in interest bearing and non-interest bearing demand deposit accounts, consisted of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution. Investments were certificates of deposit, which were being held as collateral for a loan.

The School classifies all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

RECEIVABLES

Receivables are stated at the amount management expects to collect from outstanding balances. Management believes all receivables are collectible and therefore has not recognized a provision for doubtful accounts. The school received government grants to fund programs and operations. The grants are reimbursement based and grants receivable at the year end are stated at unpaid balances for expenditures incurred during the year.

DUE TO OTHERS

Due from others are funds due to the Morehouse Parish School Board for reimbursement of an overpayment received for support.

CONTRIBUTION AND REVENUE RECOGNITION

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State of Louisiana Public School Fund (the State) and the Morehouse Parish School Board (MPSB). The funding the School receives is determined on an annual basis based on the number of pupils enrolled as of October 1st of each year. The State funded per pupil allocation is based on the *most recently approved minimum foundation program formula resolution*. The MPSB's funded per pupil allocation from sales tax revenues, ad valorem taxes, and other sources is determined by the relationship of the number of pupils in the School versus total pupils in the MPSB's system.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The School uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

COMPARATIVE DATA

Certain amounts for 2018 have been reclassified/restated to conform to the 2019 presentation.

PROPERTY, PLANT, AND EQUIPMENT

Acquisitions of property, plant, and equipment in excess of \$5,000 are capitalized. Property, plant, and equipment are stated at cost. Assets donated are carried at the fair market value on the date of the donation, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful life of the asset or for leasehold improvements the shorter of the estimated useful life or of the lease term. Interest incurred during the construction period is reflected in the capitalized value of the asset constructed.

PREPAID EXPENSES

Payments made to insurance companies for insurance coverage beyond the current accounting period are recorded as prepaid items in the asset section of the balance sheet. Also, payments made as deposits for services that have not yet been provided in the current accounting period are recorded as prepaid items.

INCOME TAXES

The School's Forms 990, Return of Organization Exempt from Income Tax, for the year ending in 2018, 2017, and 2016 were filed with the Internal Revenue Service. As of November 22, 2019, the School had not filed its tax return for the year ending in 2019. The School's tax filings are subject to examination by the IRS, generally for three years after they are filed.

COMPENSATED ABSENCES

All twelve month employees can earn a maximum of twelve days of vacation leave each year, at a rate of one day per month awarded in six month intervals. Vacation can be accumulated up to ten days per year limited to a maximum of twenty-two days. Accumulated or vested benefits relating to vacation leave are accrued at year end. At June 30, 2019 and 2018, the School had compensated absences of \$21,983 and \$13,838, respectively, related to vacation leave, which is reported as a liability in the Statement of Financial Position combined with sick leave, as noted below.

All twelve month employees earn twelve days of sick leave each year, of which two days can be used for personal leave. Nine month employees also earn twelve days of sick leave each year with two available for personal leave. Sick leave can be accumulated up to 25 days. Upon retirement or death, unused accumulated sick leave or up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences are accrued as a liability when the employees' right to receive compensation is attributable to service already rendered, the compensation rights vest or accumulate, the compensation payment is probable, and the amount can be reasonably estimated. Based on this criteria, the School accrues earned sick leave for those employees who currently are eligible to receive termination payments, as well as other employees who have at least ten years of service. At June 30, 2019, the School accrued \$285,536 as compensated absences related to sick leave, which is reported as a liability in the Statement of Financial Position combined with vacation leave of \$21,983 for a total of \$307,519, of which the current portion was determined to be \$36,855.

NOTE 2 - CASH AND INVESTMENTS

At June 30, 2019 and 2018, the carrying amount of cash and investments was \$3,540,870 and \$2,760,960, respectively, which approximates market value. The School's bank balances per the banks totaled \$3,455,147 and \$2,947,284, respectively. The School's bank balances at June 30, 2019 and 2018 were collateralized by Federal Depository Insurance of \$252,792 and \$252,792, respectively, with \$3,202,355 and \$2,694,492, respectively, uncollateralized. At June 30, 2019, the uncollateralized deposits had \$2,888,075 of pledged securities held by a custodial bank in the name of the fiscal agent bank.

NOTE 3 - PROMISES TO GIVE

During the year ended June 30, 2017, the School received an unconditional promise to give restricted to the payment of debt. During 2019, a debt payment from funds without donor restrictions satisfied a portion of the restriction. The unconditional promise to give at June 30th is as follows:

	2019	2018
Gross Unconditional Promises to Give		
Promises without donor restrictions	\$ 1,988	\$ 0
Restricted to payment of long-term debt	3,976	5,964
Less: Unamortized discount	(202)	(399)
Net unconditional promises to give	\$ 5,762	\$ 5,565
Amounts due in:		
Less than one year	\$ 3,976	
One to five years	1,988	
Total	\$ 5,964	

Unconditional promises to give due in more than one year are recognized at fair value using present value techniques and a discount rate of 3.5%.

Uncollectible amounts for this unconditional promise to give are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts.

NOTE 4 - PROPERTY, PLANT, AND EQUIPMENT

Effective July 1, 2013, the School entered into an agreement with the Morehouse Parish School Board (MPSB), allowing the School to use the MPSB's facilities and contents located at 15190 A.M. Baker Road, Bastrop, Louisiana 71220. The agreement expired June 30, 2018, but the MPSB granted an extension for an additional ten years through June 30, 2028. The School pays an annual lease of \$1,200 according to the agreement. 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.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

Any use of the property that would be considered donated is not recorded as an in-kind contribution from the MPSB. The value of the property 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.

Any assets acquired by the School are the property of the School for the duration of their charter agreement with the Morehouse Parish School Board. If the charter is revoked or surrendered or the school otherwise ceases to operate, all assets purchased with public funds shall automatically revert to full ownership by the Morehouse Parish School Board. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

The School completed construction of a stadium during the year ended June 30, 2018 and capitalized the costs in fixed assets. Costs incurred in years prior to the year ended June 30, 2018 were recorded as construction in progress. The construction of new classrooms by Morehouse Parish School Board, with some funds contributed by the School, were also completed during the year ended June 30, 2018.

Interest incurred of \$10,032 during the construction of a fixed asset is capitalized in the cost of the asset constructed.

There were some asset acquisitions by the School which have met or exceeded the School's \$5,000 capitalization policy, and leasehold improvements which were amortized over the term of the lease, as shown below:

<u>CLASS</u>	<u>DEPRECIATION LIFE RANGE</u>	<u>2019</u>	<u>2018</u>
Leasehold Improvements	2 - 10 Yrs.	\$ 516,646	\$ 516,646
Buildings	40 Yrs.	1,791,552	1,791,552
Equipment	5 - 12 Yrs.	<u>472,809</u>	<u>392,107</u>
Total		2,781,007	2,700,305
Less: Accumulated Amortization and Depreciation		(430,278)	(311,389)
Land		44,961	44,961
Construction In Progress		<u>0</u>	<u>0</u>
Net Fixed Assets		<u>\$ 2,395,690</u>	<u>\$ 2,433,877</u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2019 and 2018 are related to funds raised for student activity funds, scholarship funds, and payment of long-term debt. None of the net assets with donor restrictions at June 30, 2019 or 2018 are time-restricted by donors. Net assets with donor restrictions are available for the following purposes, as of June 30:

	<u>2019</u>	<u>2018</u>
Student Activities Funds	\$ 92,262	\$ 97,626
Scholarship Funds	85,122	73,371
Payment of Long-Term Debt	<u>3,774</u>	<u>5,565</u>
Total	<u>\$ 181,158</u>	<u>\$ 176,562</u>

Net assets released from donor restrictions during 2019 and 2018 were by payment of long-term debt, as specified by the donor.

Prior year temporarily restricted net assets are reclassified in this presentation as net assets with donor restrictions.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 - LONG TERM DEBT

Long term debt at June 30, 2019 is as follows:

	2019	2018
3.5% loan payable to Bancorp South Bank, due in annual installments of \$1,988 with the final payment due May 1, 2021. A donor has pledged to contribute the annual payments due on this loan.	\$ 3,774	\$ 5,565
4.6% loan payable to Bancorp South Bank, approved for \$600,000 with the proceeds being drawn to pay construction costs and other amounts needed. The note is due in monthly installments of \$11,230 (including principal and interest) with the final payment due January 28, 2023.	427,947	128,181
3.25% note payable to the Bancorp South Bank, approved for \$575,000 with proceeds being drawn to pay construction costs. The note is due in monthly installments of \$10,408 (including principal and interest) beginning May, 2017, collateralized by a certificate of deposit in the amount of \$575,000.	337,468	449,237
2.3% note payable to Louisiana Public Facilities Authority, due in 60 monthly installments of \$4,198 (including principal and interest) to July, 2022, secured by revenues.	149,714	196,007
Total Long Term Debt	918,903	778,990
Less: Current Maturities	(282,629)	(288,184)
Long Term Debt, Net of Current Maturities	\$ 636,274	\$ 490,806

The annual debt service requirements to maturity for all debt outstanding as of June 30, 2019, is as follows:

	Bancorp Loans		Louisiana Public Facility Authority Loan		Total
	Principal	Interest	Principal	Interest	
2020	\$ 235,251	\$ 26,401	\$ 47,377	2,995	312,024
2021	244,606	17,045	48,502	1,871	312,024
2022	231,334	7,355	53,835	728	293,252
2023	57,998	688	0	0	58,686
Totals	\$ 769,189	\$ 51,489	\$ 149,714	\$ 5,594	\$ 975,986

Interest expense on long-term debt for the year ending June 30, 2019 and 2018 was \$32,935 and \$28,676 (of which \$10,032 was capitalized), respectively.

The School recorded contribution revenue and interest expense of \$259 for interest paid by a donor for the year ended June 30, 2018, related to one of the Bancorp South notes payable.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 - RETIREMENT PLANS

Substantially all full-time employees of the School participate in the Teachers' Retirement System of Louisiana ("TRSL"). The TRSL is a cost sharing, multiple-employer defined benefit plan. This plan provides retirement and disability benefits, permanent benefit increases, and death benefits to plan members and beneficiaries. The TRSL issues publicly available financial reports that include financial statements and required supplementary information for the TRSL. The report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123 or on the website www.trsl.org.

The risks of participating in a multiemployer plan is different from single employer plans. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. If the School chooses to stop participating it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

TRSL is a component unit of the State of Louisiana and presents its financial information based on Governmental Accounting Standards. According to the financial report for the year ending June 30, 2018 (the most recent available), the actuarial funded ratio for funding purposes was 65.8% compared to 64.5% for 2017. TRSL had 204 employers participating in the plan with the School's employer allocation percentage at .08201%.

The employee of the school who is a member of the Optional Retirement Plan (ORP) became a member of this plan prior to employment with the school and has remained a participant in the ORP. The ORP is a defined contribution plan administered by TRSL. The ORP was created by Louisiana Revised Statute 11:921 and implemented on July 1, 1990. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. The ORP provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the participating employees to approved providers.

Participants in TRSL vest immediately in employee contributions to the plans. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. For the year ended June 30, 2019 and 2018, participants were required to contribute 8% of their annual covered payroll to the plan and the School was required to contribute 26.7% and 26.6%, respectively, of the annual covered payroll for each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee. For the year ended June 30, 2019 and 2018, the School contributions to this plan were \$1,058,399 and \$996,194, respectively, equal to the required contributions for the year.

During the year ended June 30, 2019, the ORP participant contributed 8% of salary and the School was required to contribute 26.7% of their annual covered payroll. The School contributions to this plan were \$7,140, equal to the required contributions for the year. The School had no ORP participants for the year ended June 30, 2018.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 - LEASE AGREEMENTS

The School leases portable classrooms and other buildings to provide adequate space for school operations. The leases include a delivery and installment fee for the buildings, monthly lease payments, and a tear down and return freight charge at the end of the lease. Most of the agreements were for thirty-six monthly lease payments, beginning August 13, 2013, with month to month renewal options at the lease terminations. The School chose to exercise the options to lease the buildings on a month-to-month basis past their initial lease term and plan to continue the leases until the structures are no longer needed, at which time the School will pay tear down and return freight costs on the leased buildings according to the lease agreement. A double classroom was obtained August 22, 2016, which included delivery and installment fees, monthly lease payments on a month-to-month basis, and a tear down and return freight fee at the end of the lease. Two doublewide classrooms were obtained July 10, 2017, which included delivery and installment fees with monthly lease payments on a month-to-month basis. Current year lease expense on these portable buildings was \$72,868. The future minimum lease payments as of June 30, 2019 were \$25,420.

The School also has a lease agreement with MPSB, as described in Note 4 above.

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the School's financial assets as of the balance sheet, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date as of June 30:

	2019	2018
Cash at Year End	\$ 2,944,036	\$ 2,171,495
Investments	596,834	589,465
Grants Receivable	0	21,222
Unconditional Promises to Give	3,844	1,729
Interest Receivable	2,033	2,007
Total	3,546,747	2,785,918
Less: Amounts Unavailable for General Expenditures within One Year, Due to:		
Donor-restricted to payment of long-term debt	(1,856)	(1,729)
Donor-restricted to payment of scholarships	(85,122)	(73,371)
Donor-restricted to specific school activities	(92,262)	(97,626)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	\$ 3,367,507	\$ 2,613,192

In addition to the amounts shown above, the School has pledged \$575,000 of their certificate of deposit for collateral on a loan.

The School prepares an annual budget that is approved by the Board Members for the upcoming year. Budget versus actual comparisons are presented at each monthly board meeting and reviewed by the Board. Cash flow is monitored by management on a daily basis.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - FUNCTIONAL EXPENSES

The cost of providing various services have been summarized on a functional basis between program services and supporting services. Certain costs have been allocated among program services and supporting services. Salaries and benefits are allocated based on the time and effort expended between program and supporting services. A schedule of functional expenses for the year ended June 30, 2019, with comparative totals for the year ended June 30, 2018, is shown below:

	<u>Program Services</u>	<u>Supporting Services</u>	2019	2018
	Charter School	Management and General	Total	Total
Salaries	\$ 3,743,116	\$ 438,716	\$ 4,181,832	\$ 4,011,015
Employee Benefits and Payroll Taxes	1,697,431	173,982	1,871,413	1,754,463
Student Transportation	625,200	0	625,200	596,521
Repairs and Maintenance	315,251	0	315,251	362,527
Materials and Supplies	206,430	13,539	219,969	547,686
Administrative Services	0	172,458	172,458	173,734
Professional Services	27,216	139,780	166,996	171,768
Utilities	160,392	0	160,392	158,380
Depreciation and Amortization	118,889	0	118,889	42,135
Insurance	29,374	82,358	111,732	88,946
Rent	94,196	10,514	104,710	103,969
Other Services	75,944	0	75,944	108,180
Travel	30,896	2,686	33,582	34,737
Interest Expense	0	32,935	32,935	18,913
Miscellaneous	6,092	12,627	18,719	10,709
Total Expenses	<u>\$ 7,130,427</u>	<u>\$ 1,079,595</u>	<u>\$ 8,210,022</u>	<u>\$ 8,183,683</u>

NOTE 11 - EVALUATION OF SUBSEQUENT EVENTS

The School has evaluated subsequent events through November 22, 2019, the date which the financial statements were available to be issued.

NOTE 12 - RECENT ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 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 for the transfer of promised goods or services to customers. The new standard is effective for fiscal years beginning after December 15, 2018, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption. Beekman Charter School is currently evaluating the impact of adopting the new revenue standard on its financial statements.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - RECENT ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED (CONTINUED)

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." ASU 2016-02 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability 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 activities. The new standard is effective for fiscal years beginning after December 15, 2019. A modified retrospective transition approach is required for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, which certain practical expedients available. Beekman Charter School is currently evaluating the impact of adopting the new leases standard on its financial statements.

OTHER REPORTS AND SCHEDULES

DON M. McGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Drive, Suite A
Ruston, Louisiana 71273-1344

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

Board of Directors of the
Beekman Charter School
15190 A M Baker Road
Bastrop, Louisiana 71220

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Beekman Charter School (a non-profit organization), which comprise the statements of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated November 22, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Beekman Charter 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Beekman Charter School's internal control. Accordingly, I do not express an opinion on the effectiveness of the Beekman Charter School's internal control.

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

My 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 my audit I did not identify any *deficiencies in internal control that I 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 Beekman Charter School's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Beekman Charter 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.



Don M. McGehee
Certified Public Accountant
November 22, 2019

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

I have audited the financial statements of the Beekman Charter School as of and for the year ended June 30, 2019, and have issued my report thereon dated November 22, 2019. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2019, resulted in an unqualified opinion.

Summary of Auditor Results

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No

Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

Findings - Financial Statements Audit

Reportable Conditions

No findings.

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

Findings - Financial Statements Audit

Reportable Conditions

No findings.

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2019**

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2019, are discussed below with management's response for a corrective action plan.

Findings - Financial Statements Audit

Reportable Conditions

No findings.

BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO THE BEEKMAN CHARTER SCHOOL
BOARD PRESIDENT AND PRINCIPAL
FOR THE YEAR ENDED JUNE 30, 2019

Beekman Charter School Principal Emily Myrick:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 101,166
Benefits-Retirement	27,011
Benefits-Health Insurance	2,778
Registration Fees	742
Travel	1,531

**PERFORMANCE AND STATISTICAL DATA
SCHEDULES REQUIRED BY STATE LAW**

DON M. McGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Drive, Suite A
Ruston, Louisiana 71273-1344

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

Board of Directors of the
Beekman Charter School
Louisiana Department of Education, and
Louisiana Legislative Auditor

I have performed the procedures enumerated below, which were agreed to by the management of the Beekman Charter School, the Louisiana Department of Education, and the Louisiana Legislative Auditor on the performance and statistical data accompanying the annual financial statements of the Beekman Charter School 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 126, in compliance with Louisiana Revised Statute 24:514 I. Management of the Beekman Charter School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I 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.

My procedures and associated findings are as follows:

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

1. I selected a random sample of 25 transactions and reviewed supporting documentation to observe that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on Schedule 1 on page 25:

- 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

No exceptions found.

Class Size Characteristics (Schedule 2)

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

The information on Schedule 2 was prepared by the Morehouse Parish School Board. The School provided a list of classes and class size, but it was not as of October 1 and did not agree with the data presented in Schedule 2. The School provided the roll books for testing, but I was unable to determine if the sample of classes were properly classified on the schedule without the October 1 list of classes.

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

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

No exceptions found.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. I obtained 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 obtained management's representation that the data/listing was complete. I then selected a sample of 25 individuals and traced to each individual's personnel file to 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).

No exceptions found.

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. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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 the Beekman Charter School, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Don M. McGehee
Certified Public Accountant
November 22, 2019

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
Bastrop, Louisiana
Schedules Required by State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and For the Year Ended June 30, 2019**

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

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

Schedule 2 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
Bastrop, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2019**

Schedule 1

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures:</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 3,147,763	
Other Instructional Staff Activities	180,534	
Instructional Staff Employee Benefits	1,526,970	
Purchased Professional and Technical Services	25,916	
Instructional Materials and Supplies	169,651	
Instructional Equipment	<u>80,702</u>	
Total Teacher and Student Interaction Activities		\$ 5,131,536
Other Instructional Activities		77,423
Pupil Support Services	254,780	
Less: Equipment for Pupil Support Services	<u>0</u>	
Net Pupil Support Services		254,780
Instructional Staff Services	298,890	
Less: Equipment for Instructional Staff Services	<u>0</u>	
Net Instructional Staff Services		298,890
School Administration	452,292	
Less: Equipment for School Administration	<u>0</u>	
Net School Administration		<u>452,292</u>
Total General Fund Instructional Expenditures (Total of Column B)		\$ <u>6,214,921</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$ <u>80,702</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		0
Renewable Ad Valorem Tax		0
Debt Service Ad Valorem Tax		0
Up to 1% of Collections by Sheriff on Taxes Other than School Taxes		0
Sales and Use Taxes		<u>0</u>
Total Local Taxation Revenue		\$ <u>0</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		0
Earnings from Other Real Property		<u>0</u>
Total Local Earnings on Investment in Real Property		\$ <u>0</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing-Constitutional Tax		0
Revenue Sharing-Other Taxes		0
Revenue Sharing-Excess Portion		0
Other Revenue in Lieu of Taxes		<u>0</u>
Total State Revenue in Lieu of Taxes		\$ <u>0</u>
Nonpublic Textbook Revenue		\$ <u>0</u>
Nonpublic Transportation Revenue		\$ <u>0</u>

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL
Bastrop, Louisiana
Class Size Characteristics
As of October 1, 2017**

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination	78.0%	361	20.3%	94			1.7%	8
Combination Activity Classes	84.9%	118	11.5%	16			3.6%	5

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.

**BEEKMAN ALUMNI AND FRIENDS, INC.
D/B/A BEEKMAN CHARTER SCHOOL**

STATEWIDE AGREED-UPON PROCEDURES

JUNE 30, 2019

DON M. McGEHEE
(A Professional Accounting Corporation)

P.O. Box 1344
205 E. Reynolds Drive, Suite A
Ruston, Louisiana 71273-1344

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

Board of Directors of the Beekman Charter School
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Beekman Charter School and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Management provided us with the written policy and procedures and all functions are addressed.

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

Management provided us with the written policy and procedures and all functions are addressed.

c) **Disbursements**, including processing, reviewing, and approving

Management provided us with the written policy and procedures and all functions are addressed.

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

Management provided us with the written policy and procedures and all functions are addressed.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

Management provided us with the written policy and procedures and all functions are addressed.

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

Management provided us with the written policy and procedures and all functions are addressed, except there are no standard terms and conditions for contracts.

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

Management provided us with the written policy and procedures and all functions are addressed.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Management provided us with the written policy and procedures and all functions are addressed.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy

Management provided us with the written policy and procedures and all functions are addressed.

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

Management provided us with the written policy and procedures. The debt issuance approval function was addressed. They do not have written policies and procedures for the other functions, but those functions are not applicable to the School.

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

Management provided us with the written policy and procedures and all functions are addressed.

Board (or Finance Committee, if applicable)

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Excluded from testing during the current year, since a previous year had no exceptions.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period*

Excluded from testing during the current year, since a previous year had no exceptions.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Excluded from testing during the current year, since a previous year had no exceptions.

Bank Reconciliations

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

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Excluded from testing during the current year, since a previous year had no exceptions.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Excluded from testing during the current year, since a previous year had no exceptions.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Excluded from testing during the current year, since a previous year had no exceptions.

Collections (excluding EFTs)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management provided us with the required list and representation that it is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions found.

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions found.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions found.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions found.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions found.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

Observed sequentially pre-numbered receipts for the selected deposits, except for one of the deposits selected.

Management's Response: The clerk for the student activity fund collected the monies and remitted to the accountant to deposit into the general fund. The accountant assumed the clerk had prepared sequentially pre-numbered receipts for the monies and did not prepare a sequentially pre-numbered receipt for the deposit. The accountant will prepare prenumbered receipts for all amounts received beginning in December, 2019.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions found.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions found.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions found, except two deposits included receipts that were not deposited within one business day of receipt.

Management's Response: The clerk for the student activity fund will be more diligent in making sure receipts are deposited daily.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions found.

Non-Payroll Disbursements (excluding card purchases/payments travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Excluded from testing during the current year, since a previous year had no exceptions.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Excluded from testing during the current year, since a previous year had no exceptions.

- b) At least two employees are involved in processing and approving payments to vendors.

Excluded from testing during the current year, since a previous year had no exceptions.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Excluded from testing during the current year, since a previous year had no exceptions.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Excluded from testing during the current year, since a previous year had no exceptions.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

Excluded from testing during the current year, since a previous year had no exceptions.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Excluded from testing during the current year, since a previous year had no exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Excluded from testing during the current year, since a previous year had no exceptions.

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Excluded from testing during the current year, since a previous year had no exceptions.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Excluded from testing during the current year, since a previous year had no exceptions.

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address the missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Excluded from testing during the current year, since a previous year had no exceptions.

Travel and Expense Reimbursement

- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Excluded from testing during the current year, since a previous year had no exceptions.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Excluded from testing during the current year, since a previous year had no exceptions.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Excluded from testing during the current year, since a previous year had no exceptions.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Excluded from testing during the current year, since a previous year had no exceptions.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Excluded from testing during the current year, since a previous year had no exceptions.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Excluded from testing during the current year, since a previous year had no exceptions.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Excluded from testing during the current year, since a previous year had no exceptions.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Excluded from testing during the current year, since a previous year had no exceptions.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Excluded from testing during the current year, since a previous year had no exceptions.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.

Excluded from testing during the current year, since a previous year had no exceptions.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Excluded from testing during the current year, since a previous year had no exceptions.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Excluded from testing during the current year, since a previous year had no exceptions.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Excluded from testing during the current year, since a previous year had no exceptions.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Excluded from testing during the current year, since a previous year had no exceptions.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Excluded from testing during the current year, since a previous year had no exceptions.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Excluded from testing during the current year, since a previous year had no exceptions.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued..

Excluded from testing during the current year, since a previous year had no exceptions.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Excluded from testing during the current year, since a previous year had no exceptions.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Excluded from testing during the current year, since a previous year had no exceptions.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Excluded from testing during the current year, since a previous year had no exceptions.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Don M. McGehee
Certified Public Accountant
November 22, 2019