



Financial Report

Hynes Charter School Corporation

June 30, 2021 and 2020

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June 30, 2021 and 2020

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Hynes Charter School Corporation,
New Orleans, Louisiana.

Report on the Financial Statements

We have audited the accompanying financial statements of Hynes Charter School Corporation (a non-profit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the 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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hynes Charter School Corporation as of June 30, 2021, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Hynes Charter School Corporation's 2020 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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 the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules (pages 20 - 26) are presented for purposes of additional analysis, and are not a required part of the financial statements. Schedule 1 is required by Louisiana Revised Statute 24:513(a)(3). Such information in the supplemental schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 11, 2021 on our consideration of Hynes Charter School Corporation's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreement, and other matters. The purpose of that report is 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 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 Hynes Charter School Corporation's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
October 11, 2021.

STATEMENT OF FINANCIAL POSITION

Hynes Charter School Corporation
New Orleans, Louisiana

June 30, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$5,584,654	\$5,529,847
Cash restricted for student activities	181,731	158,322
Grants and other receivables	677,627	745,557
Prepaid expenses	410,489	93,427
Inventory	46,829	13,165
Other assets	17,400	17,400
Equipment, net	<u>26,307</u>	<u>3,429</u>
Total assets	<u><u>\$6,945,037</u></u>	<u><u>\$6,561,147</u></u>
LIABILITIES		
Accounts payable	\$ 95,261	\$ 279,401
Accrued expenses	1,065,850	532,677
Deferred revenue	118,165	104,716
Loan payable	<u>-</u>	<u>1,288,418</u>
Total liabilities	<u><u>1,279,276</u></u>	<u><u>2,205,212</u></u>
NET ASSETS		
Without donor restrictions	5,617,423	4,304,864
With donor restrictions	<u>48,338</u>	<u>51,071</u>
Total net assets	<u><u>5,665,761</u></u>	<u><u>4,355,935</u></u>
Total liabilities and net assets	<u><u>\$6,945,037</u></u>	<u><u>\$6,561,147</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Hynes Charter School Corporation**
New Orleans, LouisianaFor the year ended June 30, 2021
(with comparative totals for 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Totals</u>	<u>2020 Totals Only</u>
Revenues and Other Support				
Grants:				
Federal	\$1,691,165	\$ -	\$1,691,165	\$ 618,145
State	3,400	-	3,400	48,668
Other	267,096	124,500	391,596	419,719
State and local Minimum Foundation Program	8,913,278	-	8,913,278	8,008,751
Donations	115,991	60	116,051	17,321
Student fees	-	211,455	211,455	312,318
Paycheck Protection Program loan forgiveness	1,288,418	-	1,288,418	-
Miscellaneous revenue	11,615	7,393	19,008	127,903
Net assets released from restrictions	346,141	(346,141)	-	-
Total revenues and other support	<u>12,637,104</u>	<u>(2,733)</u>	<u>12,634,371</u>	<u>9,552,825</u>
Expenses				
Program services	7,736,703	-	7,736,703	6,679,793
Management and general	3,562,970	-	3,562,970	2,843,738
Fundraising	24,872	-	24,872	22,088
Total expenses	<u>11,324,545</u>	<u>-</u>	<u>11,324,545</u>	<u>9,545,619</u>
Increase (decrease) in net assets	1,312,559	(2,733)	1,309,826	7,206
Net Assets				
Beginning of year	<u>4,304,864</u>	<u>51,071</u>	<u>4,355,935</u>	<u>4,348,729</u>
End of year	<u>\$5,617,423</u>	<u>\$ 48,338</u>	<u>\$5,665,761</u>	<u>\$4,355,935</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Hynes Charter School Corporation**
New Orleans, LouisianaFor the year ended June 30, 2021
(with comparative totals for 2020)

	2021			Total Expenses	2020 Totals Only
	Program Services	Management and General	Fundraising		
Administrative fee	\$ 349,884	\$ -	\$ -	\$ 349,884	\$ 541,469
Advertising	-	6,586	-	6,586	1,255
Depreciation	15,086	1,492	-	16,578	3,429
Disposal services	13,174	1,303	-	14,477	19,834
Dues and fees	25,145	15,036	-	40,181	39,610
Employee benefits and payroll taxes	1,321,083	889,477	5,722	2,216,282	1,888,936
Equipment rental	15,182	7,095	-	22,277	20,350
Food service management	13,785	1,045	-	14,830	14,723
Information technology services	164,211	3,351	-	167,562	134,673
Insurance	165,985	16,416	-	182,401	147,140
Materials and supplies	560,553	49,616	-	610,169	468,146
Miscellaneous expense	3,407	22,769	-	26,176	27,149
Professional development	132,989	8,825	-	141,814	82,268
Professional services	146,017	110,938	-	256,955	196,105
Repairs and maintenance	228,754	22,624	-	251,378	180,573
Salaries and wages	4,056,492	2,372,476	19,150	6,448,117	5,357,765
Telephone and postage	-	6,686	-	6,686	1,350
Textbooks	175,569	-	-	175,569	62,889
Transportation	52,751	-	-	52,751	42,509
Travel	21,250	-	-	21,250	48,339
Utilities	275,386	27,236	-	302,622	267,107
	<u>\$7,736,703</u>	<u>\$3,562,970</u>	<u>\$24,872</u>	<u>\$11,324,545</u>	<u>\$9,545,619</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS**Hynes Charter School Corporation**
New Orleans, LouisianaFor the year ended June 30, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 1,309,826	\$ 7,206
Adjustments to reconcile increase in net assets to cash provided by (used in) operating activities:		
Depreciation	16,578	3,429
Paycheck Protection Program loan forgiveness	(1,288,418)	-
(Increase) decrease in assets:		
Grants receivable	67,930	(408,958)
Prepaid expenses	(317,062)	9,420
Inventory	(33,664)	9,533
Other	-	(7,400)
Increase (decrease) in liabilities:		
Accounts payable	(184,140)	55,059
Accrued payroll liabilities	533,173	(161,658)
Deferred revenue	13,449	20,004
	<u>117,672</u>	<u>(473,365)</u>
Net cash provided by (used in) operating activities		
Cash Flows From Investing Activities		
Purchases of property and equipment	(39,456)	-
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	-	1,288,418
Net Increase in Cash	78,216	815,053
Cash		
Beginning of year	<u>5,688,169</u>	<u>4,873,116</u>
End of year	<u>\$5,766,385</u>	<u>\$5,688,169</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Hynes Charter School Corporation

New Orleans, Louisiana

June 30, 2021 and 2020

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

Hynes Charter School Corporation (the "School") is a charter school organization operating to provide all students with a safe and diverse learning community by empowering them to be proficient readers, writers, and critical thinkers. Effective July 1, 2017, Hynes Charter School Corporation is a Type 1 charter school governed by a board of directors.

The School was granted a five-year charter for the Lakeview Campus by Orleans Parish School Board (OPSB) in 2006. The charter was renewed for an additional six years effective July 1, 2011 and an additional ten years effective July 1, 2017.

The School was granted a five-year charter for the UNO Campus by OPSB in 2019 effective through June 30, 2024, and began principal operations at this location during the year ended June 30, 2020.

The School was granted a five-year charter for the Parkview Campus by OPSB in 2021 effective through June 30, 2026, and began principal operations at this location during the year ending June 30, 2022.

b. Basis of Accounting

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

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

c. Financial Statement Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Support, revenue, and expenses for general operations.

Net Assets With Donor Restrictions - Contributions and grants specifically authorized by the donor or grantor to be used for a certain purpose or to benefit a specific accounting period or contributions subject to donor-imposed restrictions and that are to be held in perpetuity by the School.

d. 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 certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

e. Cash and Cash Equivalents

The School classifies as cash and cash equivalents all highly liquid debt instruments with an initial maturity of three months or less. As of June 30, 2021 and 2020, there were no cash equivalents.

f. Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are fully collectible.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

g. Equipment and Depreciation

Equipment is capitalized at cost and updated for additions and retirements during the year. The net carrying amount is considered the net realizable value. Donated property and equipment is recorded at fair market value as of the date received. The School maintains a capitalization threshold of \$5,000 for equipment. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend an asset's life are expensed. All reported equipment is depreciated using the straight-line method over three to five years.

h. Inventory

Inventory is carried at the lower of cost or net realizable value and, as of June 30, 2021 and 2020, consisted of textbooks and other teaching materials and supplies.

i. Deferred Revenue

The School obtains payment of a \$95 student activity fee per student and a \$100 French immersion fee, as applicable, at the time of registration of the subsequent year, during the spring of the current year. Revenues from these fees are recognized in the year in which they are earned. Fees collected in the current year that apply to the subsequent year are deferred.

j. Revenue Recognition

Donations received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 related grant, generally corresponding to the incurring of grant related costs by the School, or when earned under the terms of the grants.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

j. Revenue Recognition (Continued)

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and OPSB. For the years ended June 30, 2021 and 2020, the School received \$3,557,035 and \$3,069,855, respectively, from the state and \$5,356,243 and \$4,748,937, respectively, from OPSB, in addition to \$189,959 received during the year ended June 30, 2020, which related to prior years. MFP revenue accounts for 71% and 84% of the School's total revenue for the years ended June 30, 2021 and 2020, respectively.

k. Functional Allocation of Expenses

As required under the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, "*Not-for-Profit Entities*" (Topic 958), the School has presented a statement of functional expense as part of its audited financial statements. The financial statements of the School report certain categories of expenses that are attributable to more than one program or supporting function. The majority of expenses are allocated based on actual time and effort. However, insurance, repairs and maintenance, disposal services, utilities, and depreciation require allocation based on the square footage of the school campus. Information technology services are allocated based on a count of all computer equipment.

l. Tax Matters

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to Federal income tax unless the School has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2021, management of the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2018 and later remain subject to examination by the taxing authorities.

**Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

m. Recently Issued Accounting Standards

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers*" (Topic 606), which provides a single comprehensive model for entities to use in accounting for revenue from contracts with customers and supersedes most current revenue recognition models. Subsequent to the issuance of ASU No. 2014-09, the FASB issued several additional ASUs which amended and clarified the guidance and deferred the effective date. The ASU is effective for annual reporting periods beginning after December 15, 2019. The School has adopted the provisions of ASU 2014-09 and retrospectively applied this standard to financial statements as of and for the year ended June 30, 2020. The adoption of this standard did not have a material impact on the financial statements.

Leases

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" (Topic 842). ASU No. 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the Statement of Financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the Statement of Activities and the Statement of Cash Flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The School is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

n. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 11, 2021, which is the date the financial statements were available to be issued.

Note 2 - CONCENTRATIONS OF CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School has a written policy for custodial credit risk. As of June 30, 2021, the School's bank balances were approximately \$5,775,000. Balances insured by the Federal Deposit Insurance Corporation, which covers up to \$250,000 per financial institution, totaled \$250,000 as of June 30, 2021. The remaining deposits of approximately \$5,525,000 were uninsured and collateralized with U.S. government securities held by the pledging financial institution's trust department or agent, but not in the School's name.

Note 3 - CASH RESTRICTED FOR STUDENT ACTIVITIES

The School maintains separate bank accounts for student activities. The accounts are for collected student activity fees and Husky Care (before and after-school care program) fees. Restricted student activity funds amounted to \$181,731 and \$158,322 as of June 30, 2021 and 2020, respectively, and are reported as cash restricted for student activities in the Statements of Financial Position.

Note 4 - GRANT AND OTHER RECEIVABLES

Grant and other receivables are were comprised of the following as of June 30, 2021 and 2020:

	2021	2020
Grant receivables:		
Title I	\$ -	\$ 258,747
Title II	-	8,940
Title III	-	2,355
Title IV	-	10,364
Educational Excellence Fund	-	39,164
Striving Readers Comprehensive Literacy	-	43,519
E-rate - Universal Service Administrative Company	-	33,974
Charter School Program	359,445	334,738
High Cost	-	9,504
Elementary and Secondary School Emergency Relief (ESSER) II	314,976	-
Total grant receivables	674,421	741,305
Other receivables	3,206	4,252
Total grant and other receivables	\$ 677,627	\$ 745,557

Note 5 - EQUIPMENT

Equipment as of June 30, 2021 and 2020 consists of the following:

	2021	2020
Equipment	\$ 71,079	\$ 31,623
Less accumulated depreciation	(44,772)	(28,194)
Totals	\$ 26,307	\$ 3,429

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$16,578 and \$3,429, respectively.

Note 6 - COMPENSATED ABSENCES

Teachers and staff are allowed a maximum of ten cumulative sick and personal days per year. For the years ended June 30, 2021 and 2020, earned and unused sick and personal days can be paid to employees at a rate of \$80 per day following the School's fiscal year end. Faculty and staff are allowed to carryover up to three unused sick and personal days to the following year. The School has accrued \$53,294 and \$48,755 of unpaid leave as of June 30, 2021 and 2020, respectively, which is included in accrued expenses on the Statements of Financial Position.

Note 7 - LOAN PAYABLE

On April 24, 2020, the School received a \$1,288,418 loan from Hancock Whitney Bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). Interest on the loan was 1%. The loan was forgiven March 2, 2021 and repaid by the SBA, and the balance was recorded as revenue on the 2021 Statement of Activities.

Note 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2021 and 2020 are restricted for the following purposes:

	2021	2020
Subject to expenditure for specified purpose:		
Instructional and other	\$48,338	\$51,071

Net assets released from restrictions during the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Purpose restrictions satisfied:		
Before/after care and student fees	\$218,848	\$327,450
Instructional and other	127,293	37,113
Total net assets released	\$346,141	\$364,563

Note 9 - RETIREMENT PLAN

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code (IRC). The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after ten years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

Participants are required to contribute to the plan 8% of their annual covered payroll; the School was required to contribute 25.8% and 26.0% of the annual covered payroll of each participating employee for the years ended June 30, 2021 and 2020, respectively. These contribution levels are established by state law and set by the Public Retirement Systems Actuarial Committee. For the years ended June 30, 2021 and 2020, School contributions to this plan totaled \$1,487,142 and \$1,230,832, respectively.

Note 10 - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2021 and 2020, the School had related party expenses totaling \$501,738 and \$659,560, respectively, with OPSB, the School's Local Educational Agency. There was no receivable balance due from OPSB as of June 30, 2021 and 2020. As of June 30, 2021 and 2020, \$12,000 and \$208,700, respectively, was included in accounts payable.

During the years ended June 30, 2021 and 2020, the School paid \$349,884 and \$541,469 in administrative and other fees to OPSB. In addition, the School incurred \$138,069 and \$107,366 of related party expenses of OPSB for insurance costs on their current locations under the lease agreement for the years ended June 30, 2021 and 2020, respectively.

The remaining related party expenses of \$13,785 and \$10,725 are for the food services provided by OPSB for meals at the School for the years ended June 30, 2021 and 2020, respectively.

During the year ended June 30, 2021, the School received \$70,000 from the Hynes Parent Teacher Organization (PTO), affiliated as the parent organization of the students enrolled at the School, which is included in donations on the Statement of Activities. There were no amounts received from the PTO during the year ended June 30, 2020. The PTO receives the use of the School's facilities rent free during the year to host meetings or events.

Note 11 - SCHOOL OPERATIONS/LEASEHOLD INTEREST

Effective January 1, 2013, the School renewed an operating agreement with OPSB, which allows the School to use the Lakeview Campus and its contents located at 990 Harrison Ave., New Orleans, Louisiana 70124, or any other locations as may be approved by the School and OPSB. The agreement was extended on July 1, 2021 and will expire on June 30, 2027. The agreement may be renewed for a period of one year at the option of OPSB. For the use of the facilities, the School reimburses property insurance costs to OPSB. The School paid \$125,238 and \$96,366 for the years ended June 30, 2021 and 2020, respectively, in property insurance reimbursement costs.

Effective August 1, 2019, the School signed an operating agreement with OPSB, which allows the School to use the UNO Campus and its contents located at 6101 Chatham Dr., New Orleans, Louisiana 70122, or any other locations that may be approved by the School and OPSB. This agreement was extended on July 1, 2021 and will expire June 30, 2024. The agreement may be renewed for a period of one year at the option of OPSB. For the

Note 11 - SCHOOL OPERATIONS/LEASEHOLD INTEREST (Continued)

use of the facilities, the School reimburses property insurance costs to OPSB. The School paid \$12,831 and \$11,000 for the years ended June 30, 2021 and 2020 in property insurance reimbursement costs, respectively.

Effective July 1, 2021, the School signed an operating agreement with OPSB, which allows the School to use the Parkview Campus and its contents located at 4617 Mirabeau Avenue., New Orleans, Louisiana 70126, or any other locations that may be approved by the School and OPSB. This agreement will expire on June 30, 2026. The agreement may be renewed for a period of one year at the option of OPSB. For the use of the facilities, the School will reimburse property insurance costs to OPSB.

As of June 30, 2021 and 2020, the School has a \$10,000 security deposit with OPSB.

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. The School's maintenance obligation has a maximum of \$10,000. If capital improvements are made by the School with non-public funds to any site which it operates and the charter contract is revoked or terminated, the School will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to OPSB at the time this agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain at the property of the School.

Note 12 - AVAILABILITY OF FINANCIAL ASSETS

The School is substantially supported by grants and donations on an unrestricted and restricted basis. Because a grantor or donor's restriction requires resources to be used in a particular manner or in a future period, the School must maintain sufficient resources to meet those responsibilities to its grantors and donors. Thus, financial assets may not be available for general expenditure within one year. As part of the School's liquidity management, management established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Management established guidelines for making decisions related to managing short-term cash reserves and other investments in a prudent manner.

Note 12 - AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following reflects the School's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use because of grantor or donor-imposed restrictions.

	2021	2020
Financial assets:		
Cash	\$ 5,584,654	\$ 5,529,847
Grants receivable	677,627	745,557
Total financial assets	6,262,281	6,275,404
Less amounts unavailable for general expenditures within one year, due to:		
Grantor and donor imposed restrictions:		
Restricted by grantors and donors with purpose restriction	(48,338)	(51,071)
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,213,943	\$ 6,224,333

Note 13 - COMMITMENTS

The School has employment contracts as is standard in the field of education with most of its teachers and staff for the year ended June 30, 2021 which are paid through various end dates through August 31, 2021. All contracts provide for a minimum annual salary and other benefits. Remaining amounts to be paid on these contracts are included in accrued expenses on the Statement of Financial Position.

Note 14 - CONTINGENCIES

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

Note 15 - RISK MANAGEMENT

The School is exposed to various risks of loss from torts, theft and damage to assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters, and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims or unsettled claims that exceeded this commercial coverage during the years ended June 30, 2021 and 2020.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2021

Agency Head Name: Michelle Douglas, Chief Executive Officer

Purpose

Salary	\$191,495
Benefits - insurance	6,899
Benefits - retirement	49,423
Deferred compensation	0
Workers compensation	902
Benefits - life insurance	0
Benefits - long term disability	0
Benefits - Fica and Medicare	2,749
Car allowance	0
Vehicle provided by government	0
Cell phone	787
Dues	4,100
Vehicle rental	0
Per diem	0
Tuition reimbursements	0
Travel	912
Registration fees	0
Conference travel	0
Unvouchered expenses	0
Meetings and conventions	0
Other	0
	<hr/>
	<u>\$257,267</u>

SCHEDULE OF ACTIVITIES - LAKEVIEW CAMPUS**Hynes Charter School Corporation**
New Orleans, LouisianaFor the year ended June 30, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Revenues and Other Support		
Grants:		
Federal	\$ 982,005	\$ 410,572
State	3,400	46,070
Other	230,377	230,000
State and local Minimum Foundation Program	6,881,203	7,006,715
Donations	101,580	17,321
Student fees	148,544	273,236
Paycheck Protection Program loan forgiveness	150,000	-
Miscellaneous revenue	16,169	125,051
	<u>8,513,278</u>	<u>8,108,965</u>
Expenses		
Administrative fee	286,263	477,873
Advertising	-	1,255
Depreciation	12,930	3,429
Disposal services	8,748	12,370
Dues and fees	29,004	38,840
Employee benefits and payroll taxes	1,430,998	1,654,387
Equipment rental	16,759	16,035
Food service management	11,726	14,723
Information technology services	133,484	114,550
Insurance	160,539	136,140
Materials and supplies	447,127	306,773
Miscellaneous expense	15,131	23,783
Professional development	33,142	48,351
Professional services	176,366	125,472
Repairs and maintenance	181,266	151,813
Salaries and wages	4,262,529	4,642,243
Telephone and postage	3,908	1,226
Textbooks	124,823	62,889

**Schedule 2
(Continued)**

	2021	2020
Expenses (Continued)		
Transportation	26,376	21,101
Travel	19,297	42,729
Utilities	213,633	209,236
Total expenses	7,594,049	8,105,218
Expenses allocated from (to) other campuses	675,000	-
Increase in net assets after allocations	\$ 244,229	\$ 3,747

SCHEDULE OF ACTIVITIES - UNO CAMPUS**Hynes Charter School Corporation**
New Orleans, LouisianaFor the year ended June 30, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Revenues and Other Support		
Grants:		
Federal	\$ 488,156	\$ 207,573
State	-	2,598
Other	112,719	189,719
State and local Minimum Foundation Program	2,032,075	1,002,036
Donations	11,471	-
Student fees	62,911	39,082
Paycheck Protection Program loan forgiveness	65,000	-
Miscellaneous revenue	2,827	2,852
	<u>2,775,159</u>	<u>1,443,860</u>
Expenses		
Administrative fee	63,621	63,596
Advertising	983	-
Depreciation	3,648	-
Disposal services	5,729	7,464
Dues and fees	5,000	770
Employee benefits and payroll taxes	484,125	234,549
Equipment rental	5,518	4,315
Food service management	3,104	-
Information technology services	33,348	20,123
Insurance	21,862	11,000
Materials and supplies	162,072	161,373
Miscellaneous expense	7,307	3,366
Professional development	40,712	33,917
Professional services	80,589	70,633
Repairs and maintenance	70,112	28,760
Salaries and wages	1,321,466	715,522
Telephone and postage	2,778	124
Textbooks	50,746	-

**Schedule 3
(Continued)**

	<u>2021</u>	<u>2020</u>
Expenses (Continued)		
Transportation	26,375	21,408
Travel	1,953	5,610
Utilities	<u>88,989</u>	<u>57,871</u>
 Total expenses	 <u>2,480,037</u>	 <u>1,440,401</u>
 Expenses allocated from (to) other campuses	 <u>190,000</u>	 <u> </u>
 Increase in net assets	 <u><u>\$ 105,122</u></u>	 <u><u>\$ 3,459</u></u>

SCHEDULE OF ACTIVITIES - NETWORK OFFICE**Hynes Charter School Corporation**
New Orleans, LouisianaFor the year ended June 30, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Revenues and Other Support		
Grants:		
Federal	\$ 221,004	\$ -
State	-	-
Other	48,500	-
State and local Minimum Foundation Program	-	-
Donations	3,000	-
Student fees	-	-
Paycheck Protection Program loan forgiveness	1,073,418	-
Miscellaneous revenue	12	-
	<u>1,345,934</u>	<u>-</u>
Total revenues and other support		
Expenses		
Administrative fee	-	-
Advertising	5,603	-
Depreciation	-	-
Disposal services	-	-
Dues and fees	6,177	-
Employee benefits and payroll taxes	301,159	-
Equipment rental	-	-
Food service management	-	-
Information technology services	730	-
Insurance	-	-
Materials and supplies	970	-
Miscellaneous expense	3,738	-
Professional development	67,960	-
Professional services	-	-
Repairs and maintenance	-	-
Salaries and wages	864,122	-
Telephone and postage	-	-
Textbooks	-	-

**Schedule 4
(Continued)**

	2021	2020
Expenses (Continued)		
Transportation	-	-
Travel	-	-
Utilities	-	-
Total expenses	1,250,459	-
Expenses allocated from (to) other campuses	(865,000)	-
Increase in net assets	\$ 960,475	\$ -

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**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**

To the Board of Directors,
Hynes Charter School Corporation,
Louisiana, Louisiana.

We 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 of America, the financial statements of Hynes Charter School Corporation (a non-profit organization) (the "School") which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the School's financial statements, and have issued our report thereon dated October 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Certified Public Accountants.

New Orleans, Louisiana,
October 11, 2021.

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

To the Board of Directors,
Hynes Charter School Corporation,
New Orleans, Louisiana.

Report on Compliance for Each Major Federal Program

We have audited the compliance of Hynes Charter School Corporation (the "School") (a charter school organization), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana.

October 11, 2021.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2021

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
United States Department of Education			
Pass-through Programs From:			
<u>Louisiana Department of Education:</u>			
Special Education Preschool Grants	84.173	\$ 191,387	\$ -
Title 1 Grants to Local Educational Agencies	84.010	391,220	-
Charter Schools	84.282	555,102	-
Supporting Effective Instruction State Grants	84.367	36,904	-
Student Support and Academic Enrichment Program	84.424	13,929	-
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425	<u>502,623</u>	<u>-</u>
Total expenditures of federal awards		<u>\$1,691,165</u>	<u>\$ -</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Hynes Charter School Corporation New Orleans, Louisiana

For the year ended June 30, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Hynes Charter School Corporation (the "School"). The School's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2021. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies.

b. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the School's financial statements for the year ended June 30, 2021.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2021

Section I - Summary of Auditor's Results

a) Financial Statements

Type of report issued on the financial statements: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes None reported

Noncompliance material to consolidated financial statements noted? Yes No

b) Federal Awards

Internal controls over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes No

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.282	United States Department of Education Charter Schools
84.425	United States Department of Education Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act

Dollar threshold used to distinguish
between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes X No

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control Over Financial Reporting

No internal control over financial reporting findings were reported during the audit for the year ended June 30, 2021.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2021.

Section III - Federal Award Findings and Questioned Costs

Internal Control/Compliance

There were no findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2021 related to internal control and compliance material to federal awards.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Hynes Charter School Corporation New Orleans, Louisiana

For the year ended June 30, 2021

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended June 30, 2020 related to internal control over financial reporting material to the basic financial statements.

Compliance and Other Matters

There were no findings material to the financial statements noted during the audit for the year ended June 30, 2020 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

The School did not expend more than \$750,000 in federal awards during the year ended June 30, 2020, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2020.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Hynes Charter School Corporation New Orleans, Louisiana

For the year ended June 30, 2021

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended June 30, 2021 related to internal control over financial reporting material to the basic financial statements.

Compliance and Other Matters

There were no findings material to the financial statements noted during the audit for the year ended June 30, 2021 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

There were no findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2021, related to internal control and compliance material to federal awards.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2021.

SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)
(UNAUDITED)

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees,
Hynes Charter School Corporation,
New Orleans, Louisiana.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Hynes Charter School Corporation (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 the School for the fiscal year ended June 30, 2021, 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), in compliance with Louisiana Revised Statute 24:514(I). Management of the School 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.

Our procedures and associated findings are as follows:

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

1. We selected a random 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 Schedule 1.
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures

Results: No exceptions were noted.

Class Size Characteristics (Schedules 2a and 2b)

2. We obtained a list of classes by school, school type, and class size as reported on the schedules. We traced a sample of ten classes to the October 1, 2020 roll books for those classes and observed that the class was properly classified on the schedules.

Results: No exceptions were noted.

Education Levels/Experience of Public School Staff

3. We obtained the October 1, 2020 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 was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Results: Exception noted: one individual's education level was incorrectly reported on the October 1, 2020 PEP data submitted to the Department of Education.

Public School Staff Data: Average Salaries

4. We obtained the June 30, 2021 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 listing was complete. We 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).

Results: No exceptions were noted.

This agreed-upon procedures engagement was conducted 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 are not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Hynes Charter School Corporation 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
October 11, 2021.

**GENERAL FUND INSTRUCTIONAL AND SUPPORT
EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES**

**Hynes Charter School Corporation
New Orleans, Louisiana**

For the year ended June 30, 2021
(Unaudited)

General Fund Instructional and Equipment Expenditures

Instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 3,080,586
Other instructional staff salaries	708,291
Instructional staff employee benefits	1,333,896
Purchased professional and technical services	141,981
Instructional materials and supplies	352,649
Instructional equipment	<u>-</u>

Total teacher and student interaction activities \$ 5,617,403

Other instructional activities 520,642

Pupil support services 351,332

Less: equipment for pupil support services -

Net pupil support services 351,332

Instructional staff services 62,152

Less: equipment for instructional staff services -

Net instructional staff services 62,152

School administration 915,671

Less: equipment for school administration -

Net school administration 915,671

Total general fund instructional expenditures \$ 7,467,200

* Remainder of the BESE Schedule 1 does not apply to the School.

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

CLASS SIZE CHARACTERISTICS**Hynes Charter School Corporation
Lakeview Campus
New Orleans, Louisiana**As of October 1, 2020
(Unaudited)

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	55%	64	42%	49	3%	4	0%	-
Elementary Activity Classes	54%	43	42%	33	3%	2	1%	1
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

Note:

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

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

CLASS SIZE CHARACTERISTICS**Hynes Charter School Corporation
UNO Campus
New Orleans, Louisiana**As of October 1, 2020
(Unaudited)

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	36%	12	52%	17	9%	3	3%	1
Elementary Activity Classes	57%	4	14%	1	0%	-	28%	2
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

Note:

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

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



Hynes Charter School Corporation
Michelle B. Douglas, Ed.D.
Chief Executive Officer
990 Harrison Avenue
New Orleans, Louisiana 70124

October 11, 2021

Louisiana Legislative Auditor
1600 North 3rd Street
P. O. Box 94397
Baton Rouge, Louisiana
70804-9397

through

Mr. Paul Pechon, CPA
Bourgeois Bennett, LLC
P. O. Box 60600
New Orleans, Louisiana
70160-0600

Re: Management's Response to the Board of Elementary and Secondary Agreed-Upon Procedures for Hynes Charter School Corporation

Dear Mr. Pechon:

Hynes Charter School Corporation will review policies and procedures regarding the exception noted for the Profile of Educational Personnel data, specifically the education level of one individual that was incorrectly reported. This data has been corrected, and we will make appropriate changes to improve reporting on this schedule that are cost-effective and within our budget constraints.

With warm regards,

Michelle B. Douglas, Ed.D.
Chief Executive Officer