

**COMMUNITY ACADEMIES
OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA**

Audit of Financial Statements

June 30, 2022



Contents

Independent Auditor's Report	1 - 3
-------------------------------------	-------

Financial Statements

Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 16

Supplementary Information

Combining Statement of Financial Position by School	18
Combining Statement of Activities and Changes in Net Assets by School	19 - 21
Schedule of Board of Directors	22
Schedule of Compensation, Benefits, and Other Payments to Agency Head	23

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24 - 25
--	---------

Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	26 - 28
--	---------

Schedule of Expenditures of Federal Awards	29
---	----

Notes to Schedule of Expenditures of Federal Awards	30
--	----

Schedule of Findings and Questioned Costs	31
--	----

Summary Schedule of Prior Year Findings and Questioned Costs	32
---	----

Independent Auditor's Report

To the Board of Directors
Community Academies of New Orleans, Inc.
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Academies of New Orleans, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2022, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principals generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing the audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of board of directors, and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), are presented for the purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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. The accompanying combining statement of financial position by school and combining statement of activities and changes in net Assets by school are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
December 27, 2022

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Statement of Financial Position
June 30, 2022

Assets

Current Assets

Cash	\$ 795,523
Grants Receivable	3,303,548
Prepaid Expenses	312,680
Other Receivables	<u>86,768</u>

Total Current Assets 4,498,519

Property and Equipment

Furniture, Fixtures, and Equipment	17,708
Leasehold Improvements	328,110
Less: Accumulated Depreciation	<u>(32,139)</u>

Net Property and Equipment 313,679

Total Assets \$ 4,812,198

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 967,791
Accrued Expenses	287,603
Deferred Revenue	<u>212,872</u>

Total Current Liabilities 1,468,266

Net Assets

Without Donor Restrictions	<u>3,343,932</u>
----------------------------	------------------

Total Net Assets 3,343,932

Total Liabilities and Net Assets \$ 4,812,198

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

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
State and Local Public School Funding			
Minimum Foundation Program	\$ 14,169,177	\$ -	\$ 14,169,177
Federal Grants	6,724,775	-	6,724,775
Federal School Lunch Program	1,162,385	-	1,162,385
Private Grants and Contributions	365,737	-	365,737
Other State Funding	196,960	-	196,960
Other Income	138,048	-	138,048
Interest Income	276	-	276
Total Support and Revenue	22,757,358	-	22,757,358
Expenses			
Program Services - Student Instruction and Activities			
Regular Education	8,662,582	-	8,662,582
Special Education	2,940,146	-	2,940,146
Special Programs	386,802	-	386,802
Pupil Support	407,568	-	407,568
Supporting Services			
School Administration	1,995,454	-	1,995,454
Instructional Staff Support	19,421	-	19,421
Management and General	6,347,356	-	6,347,356
Total Expenses	20,759,329	-	20,759,329
Change in Net Assets	1,998,029	-	1,998,029
Net Assets, Beginning of Year	1,345,903	-	1,345,903
Net Assets, End of Year	\$ 3,343,932	\$ -	\$ 3,343,932

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

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services - Student Instruction and Activities				Supporting Services			Total
	Regular Education	Special Education	Special Programs	Pupil Support	School Administration	Instructional Staff Support	Management and General	
Expenses								
Salaries	\$ 5,622,392	\$ 1,888,329	\$ 333,158	\$ 177,284	\$ 1,655,803	\$ -	\$ 1,579,962	\$ 11,256,928
Purchased Transportation Service	1,703,787	472,993	-	-	-	-	46	2,176,826
Purchased Services	174,296	295,549	-	198,631	304	-	816,144	1,484,924
Repairs and Maintenance	47,469	-	-	-	-	-	1,149,900	1,197,369
Employee Benefits	259,830	137,372	25,061	17,411	131,924	-	356,829	928,427
Payroll Taxes	451,394	140,536	24,503	13,228	116,783	-	120,296	866,740
Food Service	-	-	-	-	-	-	749,835	749,835
Insurance	-	-	-	-	-	-	414,247	414,247
Utilities	-	-	-	-	-	-	303,598	303,598
Materials and Supplies	187,420	4,647	4,080	1,014	12,371	19,421	71,256	300,209
Student Activities	102,438	-	-	-	3,146	-	136,862	242,446
Other Miscellaneous Expenses	576	-	-	-	42,112	-	142,332	185,020
Communications	-	-	-	-	-	-	117,728	117,728
Equipment and Furnishings	60,350	720	-	-	-	-	116,755	177,825
Renting and Leasing	-	-	-	-	-	-	123,696	123,696
Professional Development	-	-	-	-	29,280	-	68,791	98,071
Dues and Fees	52,630	-	-	-	846	-	8,264	61,740
Advertising and Marketing	-	-	-	-	-	-	36,472	36,472
Depreciation	-	-	-	-	-	-	20,086	20,086
Printing	-	-	-	-	-	-	12,798	12,798
Travel	-	-	-	-	2,885	-	1,459	4,344
Total Expenses	\$ 8,662,582	\$ 2,940,146	\$ 386,802	\$ 407,568	\$ 1,995,454	\$ 19,421	\$ 6,347,356	\$ 20,759,329

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

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash Flows from Operating Activities

Change in Net Assets	\$ 1,998,029
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation	20,086
(Increase) Decrease in:	
Grants Receivable	(2,165,331)
Prepaid Expenses	(194,304)
Other Receivables	(86,768)
Increase (Decrease) in:	
Accounts Payable	(476,221)
Accrued Expenses	(225,496)
Deferred Revenue	208,603

Net Cash Used in Operating Activities (921,402)

Cash Flows from Investing Activities

Purchase of Property and Equipment	<u>(124,540)</u>
------------------------------------	------------------

Net Cash Used in Investing Activities (124,540)

Cash Flows from Financing Activities

Payments on Note Payable	<u>(300,000)</u>
--------------------------	------------------

Net Cash Used in Financing Activities (300,000)

Net Decrease in Cash (1,345,942)

Cash, Beginning of Year 2,141,465

Cash, End of Year \$ 795,523

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

**COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization

Community Academies of New Orleans, Inc. (the Organization) was incorporated on August 14, 2019, to bring together Esperanza Charter School, Lafayette Academy of Choice Foundation, and Foundation Preparatory Charter School with the ultimate goal of strengthening all three schools, while also maintaining their unique cultures and communities. These schools share a commitment to serving all students in our diverse New Orleans community, a foundational principle upon which Community Academies was founded.

In May 2020, the Orleans Parish School Board (OPSB, a.k.a NOLA Public Schools, a.k.a NOLA-PS) approved a five-year charter agreement for the Organization to operate Lafayette Academy Charter School, which is scheduled to expire on June 30, 2025.

In May 2020, the OPSB approved a five-year charter agreement for the Organization to operate Esperanza Charter School, which is scheduled to expire on June 30, 2025.

In May 2020, the OPSB approved a five-year charter agreement for the Organization to operate Foundation Preparatory Charter School, which is scheduled to expire on June 30, 2025.

The Organization provided student instruction and activities as part of regular education, special education, special programs, and pupil support services programs.

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Net Asset Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets for general use that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Once expended for their restricted purpose, these restricted net assets are released to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restriction.

**COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the Organization are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

The activities of the Organization and its charter schools are accounted for separately. The statement of financial position and statement of activities and changes in net assets include the accounts of the Organization and the three (3) aforementioned charter schools. All significant inter-school transactions and balances have been eliminated.

Functional Expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification and then allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort or student count. Expenses allocated based on student count during the year ended June 30, 2022 include purchased services. Expenses that were allocated based on time and effort during the year ended June 30, 2022 include salaries, employee benefits, and payroll taxes.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash

During the year, cash may consist 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 Organization's bank accounts from donations received from individuals or entities who specified the use of the contribution. At June 30, 2022, there were no restricted cash balances.

Statement of Cash Flows

For purposes of the statement of cash flows, the Organization considers all investments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2022, the Organization had no cash equivalents.

**COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Grants Receivable

The Organization received various state and federal grants to fund programs and operations. The grants are on a reimbursement basis and grants receivable at year-end are stated at unpaid balances for expenditures incurred during the year. As of June 30, 2022, based on management's experience with the collection of grants from the State of Louisiana, the grants receivable are considered to be fully collectible.

Contributions and Revenue Recognition

Grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The Organization will not recognize a conditional promise to give until the conditions on which the promise depends are substantially met. Contributions are reported as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (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 and changes in net assets as net assets released from restrictions. Contributions expected to be collected in less than one year are reported at net realizable value. Those expected to be collected in more than one year are recorded at fair value at the date of the promise and are discounted at an appropriate discount rate. Future amortization of the discount will be included in contribution revenue. Management closely monitors outstanding balances and writes off any balances deemed uncollectible.

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

The Organization's primary source of funding was through the State's Minimum Foundation Program (MFP). The Organization received revenue from the state based on eligible students in attendance on a monthly basis.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the Organization. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

**COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

The following are the estimated useful lives of the fixed assets of the Organization:

Assets	Useful Lives
Furniture, Fixtures, and Equipment	7 Years
Leasehold Improvements	15 Years

Income Taxes

The Organization is recognized by the Internal Revenue Service (IRS) as a Section 501(c)(3) tax-exempt organization. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Compensated Absences

All teachers and staff are provided 10 days of paid annual sick leave. If the employee terminates at June 30th, the remaining days are forfeited. Accordingly, the Organization does not recognize a liability for accumulated compensated absences.

Reversionary Interest in Funds and Assets

All funds received from the Louisiana Department of Education, United States Department of Education, or other state or federal agency are to be used for educational purposes as described in the Organization's charter agreements and grant awards. These agencies, however, have a reversionary interest in these funds, as well as any assets acquired with these funds.

Non-capital assets acquired by the Organization with non-public funds will remain the property of the Organization. Assets purchased with public funds obtained from public sources will automatically revert to the Board of Elementary and Secondary Education at the time this agreement is terminated. The Organization must maintain records of any assets acquired with private funds that will remain the property of the Organization.

**COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements - Not Yet Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is evaluating the impact that ASU 2016-02 will have on its financial statements and related disclosures.

Note 2. Concentrations

The Organization received 62% of its revenues for the year ended June 30, 2022 from the State of Louisiana, subject to its charter agreement with the State. The Organization received 30% of its revenues for the year ended June 30, 2022 from the federal government, subject to grant agreements with the United States Department of Agriculture, the United States Department of Education, and the United States Department of Health and Human Services.

The Organization's operations are concentrated to the Greater New Orleans area.

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be recovered. The Organization periodically maintains cash in bank accounts in excess of insured limits. As of June 30, 2022, the Organization's bank balances were \$1,129,905. Balances insured by the Federal Deposit Insurance Corporation (FDIC), which covers the total balance of accounts up to \$250,000 per financial institution, totaled \$500,000. The remaining deposits of \$629,905 were uninsured. The Organization has not experienced any losses as a result of this practice.

Note 3. Cash

The Organization's cash (book balance) at June 30, 2022 was \$795,523, which is stated at cost and approximates market.

**COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 4. Grants Receivable

As of June 30, 2022, grants receivable totaled \$3,303,548, which were receivables for federal and state grants passed through the Louisiana Department of Education and the Orleans Parish School Board. The stated balance is considered to be fully collectible.

Note 5. Property and Equipment

Depreciation expense totaled \$20,086 for the year ended June 30, 2022.

Note 6. Retirement Plan

The Organization offers a 401(k) plan to employees who are immediately vested upon entering the plan. Eligible employees may contribute up to the maximum allowed by the Internal Revenue Service. The Organization matches 100% of each employee's first 5% of their elective contributions. The Organization's match expense for the year ended June 30, 2022, amounted to \$221,443.

Note 7. Leases

The Organization entered into an agreement with the OPSB which allows the Organization to use the facilities and its contents located at 2727 South Carrollton Avenue, New Orleans, Louisiana 70118. The lease agreement is designated to Lafayette Academy Charter School and is scheduled to expire on June 30, 2024.

The Organization entered into an agreement with the OPSB which allows the Organization to use the facilities and its contents located at 9330 Forshey Street, New Orleans, LA 70118. The lease agreement is designated to Lafayette Academy Charter School and is scheduled to expire on June 30, 2024.

The Organization entered into an agreement with the OPSB which allows the Organization to use the facilities and its contents located at 4407 South Carrollton Avenue, New Orleans, Louisiana 70119. The lease agreement is designated to Esperanza Charter School and is scheduled to expire on June 30, 2025.

The Organization entered into an agreement with the OPSB which allows the Organization to use the facilities and its contents located at 3121 St. Bernard Avenue, New Orleans, LA 70119. The lease agreement is designated to Foundation Preparatory Charter School and is scheduled to expire on June 30, 2023.

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Leases (Continued)

All four (4) of the aforementioned lease call for payments based on a Use Fee and participation in OPSB's Per Pupil Unit Cost Program. The Use Fee is calculated annually and withheld from MFP funds by OPSB. The calculation is based on each charter schools per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Per Pupil Unit Cost Program, and includes any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship. See Note 8.

Use of the properties in the aforementioned leases is not recorded as an in-kind contribution from, or related rent expense to, the OPSB as the value of the use of the land and building is not readily determinable.

Note 8. Minimum Foundation Program (MFP)

The OPSB provides funding to the State of Louisiana, collected from local agencies, which passes through to the Organization as local MFP, which is determined on an annual basis based on the number of pupils enrolled as of October 1st. Revenues received by OPSB from sales tax revenues, ad valorem taxes, and other sources are allocated to each school based on its enrollment. The State of Louisiana provides funding which is determined on an annual basis based on the number of pupils enrolled in the schools of the Organization as of October 1st. This state-funded per pupil allocation is based on the most recently approved MFP formula resolution. For the year ended June 30, 2022, the Organization recognized state and local MFP revenue of \$14,169,177.

The OPSB charges and withholds an administration fee from MFP distributions. For the year ended June 30, 2022, the Organization recognized administration fee expense of \$295,792 related to MFP distributions.

The Organization paid state-mandated administrative fees, property and building insurance, and building usage fees, which were withheld from MFP distributions. For the year ended June 30, 2022, the Organization recognized administration fee expense of \$526,550 related to these withholdings. See Note 7.

As of June 30, 2022, the Organization has deferred \$212,872 in MFP prepayments related to a subsequent year.

**COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 9. Restrictions on Assets

Net assets with donor restrictions are restricted by donors for specific time periods or specific programs, purposes, or to assist specific departments of the Organization. These restrictions are considered to expire when payments for restricted purposes are made. There were no net assets with donor restrictions presented at June 30, 2022.

Note 10. Risks, Uncertainties, and Risk Management

The Organization is exposed to various risks of loss from torts; theft of, damage to, and destruction of 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 that exceeded this commercial coverage during the year ended June 30, 2022 nor subsequent to year end and through the date of the report.

The Organization's concentrations due to significant local, state, and federal funding make it reasonably possible that the Organization is vulnerable to the risk of a near-term significant impact. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near-term as a result of these conditions.

Note 11. Charter Management Organization (CMO) Fees

In the normal course of business, the Organization is periodically engaged in various legal proceedings incidental to its normal business activities. The resolution of such matters is not expected to have a material adverse effect on the School's financial position, statement of activities, or cash flows.

As the administrator of the schools, the Organization incurs and records overhead costs on behalf of all of its schools. Management of the Organization estimates an allocable amount of these costs to be charged to the schools on an annual basis using a predetermined rate and student head count. CMO fees allocated and charged to schools during the year ended June 30, 2022 have been eliminated from other income and management and general expenses on the accompanying statement of activities and changes in net assets.

**COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 12. Liquidity and Availability

The Organization's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources the Organization has available. In addition, the Organization operates within a budget to monitor sources and uses of funds throughout the year.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	\$ 795,523
Grants Receivable	<u>3,303,548</u>
Total	<u>\$ 4,099,071</u>

Note 13. Debt

During July 2020, the Organization entered into a short-term \$300,000 note payable agreement with a nonprofit organization bearing no interest, maturing in November 2021. The note was paid in full during the year ended June 30, 2022.

Note 14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 27, 2022, and determined that there were no subsequent events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Combining Statement of Financial Position by School
For the Year Ended June 30, 2022

	Lafayette Academy Charter School (Middle)	Lafayette Academy Charter School (Lower)	Esperanza Charter School	Foundation Preparatory Charter School	Community Academies	Eliminations	Total
Assets							
Current Assets							
Cash	\$ 310,792	\$ 92,504	\$ 91,877	\$ 128,212	\$ 172,138	\$ -	\$ 795,523
Grants Receivable	1,178,428	9,160	1,435,027	680,933	-	-	3,303,548
Prepaid Expenses	47,346	59,984	57,735	38,306	109,309	-	312,680
Other Receivables	34,083	29,000	6,250	12,875	4,560	-	86,768
Intracompany Receivables	4,924,978	5,408,117	3,768,024	2,440,282	6,689,288	(23,230,689)	-
Total Current Assets	6,495,627	5,598,765	5,358,913	3,300,608	6,975,295	(23,230,689)	4,498,519
Property and Equipment							
Furniture, Fixtures, and Equipment	3,720	1,900	2,226	5,421	4,441	-	17,708
Leasehold Improvements	65,578	76,946	60,010	125,576	-	-	328,110
Less: Accumulated Depreciation	(6,029)	(9,343)	(3,097)	(12,849)	(821)	-	(32,139)
Net Property and Equipment	63,269	69,503	59,139	118,148	3,620	-	313,679
Total Assets	\$ 6,558,896	\$ 5,668,268	\$ 5,418,052	\$ 3,418,756	\$ 6,978,915	\$ (23,230,689)	\$ 4,812,198
Liabilities and Net Assets							
Current Liabilities							
Accounts Payable	\$ 374,685	\$ 255,776	\$ 201,444	\$ 88,769	\$ 47,117	\$ -	\$ 967,791
Accrued Expenses	57,190	70,781	96,452	53,094	10,086	-	287,603
Deferred Revenue	45,730	45,730	86,174	35,238	-	-	212,872
Intracompany Payables	6,342,825	5,630,348	2,616,661	3,117,596	5,523,259	(23,230,689)	-
Total Current Liabilities	6,820,430	6,002,635	3,000,731	3,294,697	5,580,462	(23,230,689)	1,468,266
Net Assets (Deficit)							
Without Donor Restrictions	(261,534)	(334,367)	2,417,321	124,059	1,398,453	-	3,343,932
Total Net Assets (Deficit)	(261,534)	(334,367)	2,417,321	124,059	1,398,453	-	3,343,932
Total Liabilities and Net Assets	\$ 6,558,896	\$ 5,668,268	\$ 5,418,052	\$ 3,418,756	\$ 6,978,915	\$ (23,230,689)	\$ 4,812,198

See independent auditor's report.

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Combining Statement of Activities by School
For the Year Ended June 30, 2022

	Lafayette Academy Charter School (Middle)			Lafayette Academy Charter School (Lower)			Esperanza Charter School		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue									
State and Local Public School Funding									
Minimum Foundation Program	\$ 3,003,515	\$ -	\$ 3,003,515	\$ 3,003,515	\$ -	\$ 3,003,515	\$ 5,757,340	\$ -	\$ 5,757,340
Federal Grants	1,453,856	-	1,453,856	1,592,421	-	1,592,421	2,158,598	-	2,158,598
Federal School Lunch Program	281,266	-	281,266	223,451	-	223,451	452,649	-	452,649
Private Grants and Contributions	55,409	-	55,409	5,183	-	5,183	7,692	-	7,692
Other State Funding	9,146	-	9,146	139,901	-	139,901	9,213	-	9,213
Other Income	43,679	-	43,679	35,054	-	35,054	24,922	-	24,922
Interest Income	-	-	-	-	-	-	-	-	-
Intracompany Revenue, Charter Management Fees	-	-	-	-	-	-	-	-	-
Total Support and Revenue	4,846,871	-	4,846,871	4,999,525	-	4,999,525	8,410,414	-	8,410,414
Expenses									
Program Services - Student Instruction and Activities									
Regular Education	1,811,712	-	1,811,712	2,153,317	-	2,153,317	2,870,578	-	2,870,578
Special Education	634,215	-	634,215	576,667	-	576,667	944,751	-	944,751
Special Programs	-	-	-	108,482	-	108,482	278,320	-	278,320
Pupil Support	67,361	-	67,361	166,014	-	166,014	157,381	-	157,381
Supporting Services									
School Administration	260,379	-	260,379	245,826	-	245,826	185,714	-	185,714
Instructional Staff Support	336	-	336	182	-	182	476	-	476
Management and General	1,819,739	-	1,819,739	1,664,889	-	1,664,889	2,409,118	-	2,409,118
Total Expenses	4,593,742	-	4,593,742	4,915,377	-	4,915,377	6,846,338	-	6,846,338
Change in Net Assets	253,129	-	253,129	84,148	-	84,148	1,564,076	-	1,564,076
Net Assets (Deficit), Beginning of Year	(514,663)	-	(514,663)	(418,515)	-	(418,515)	853,245	-	853,245
Net Assets (Deficit), End of Year	\$ (261,534)	\$ -	\$ (261,534)	\$ (334,367)	\$ -	\$ (334,367)	\$ 2,417,321	\$ -	\$ 2,417,321

See independent auditor's report.

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Combining Statement of Activities by School (Continued)
For the Year Ended June 30, 2022

	Foundation Preparatory Charter School			Community Acadmies			Eliminating		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue									
State and Local Public School Funding									
Minimum Foundation Program	\$ 2,404,807	\$ -	\$ 2,404,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	1,519,900	-	1,519,900	-	-	-	-	-	-
Federal School Lunch Program	205,019	-	205,019	-	-	-	-	-	-
Private Grants and Contributions	813	-	813	296,640	-	296,640	-	-	-
Other State Funding	38,700	-	38,700	-	-	-	-	-	-
Other Income	26,154	-	26,154	8,239	-	8,239	-	-	-
Interest Income	-	-	-	276	-	276	-	-	-
Intracompany Revenue, Charter Management Fees	-	-	-	2,716,037	-	2,716,037	(2,716,037)	-	(2,716,037)
Total Support and Revenue	4,195,393	-	4,195,393	3,021,192	-	3,021,192	(2,716,037)	-	(2,716,037)
Expenses									
Program Services - Student Instruction and Activities									
Regular Education	1,982,963	-	1,982,963	(155,988)	-	(155,988)	-	-	-
Special Education	679,063	-	679,063	105,450	-	105,450	-	-	-
Special Programs	-	-	-	-	-	-	-	-	-
Pupil Support	2,123	-	2,123	14,689	-	14,689	-	-	-
Supporting Services									
School Administration	201,203	-	201,203	1,102,332	-	1,102,332	-	-	-
Instructional Staff Support	14,431	-	14,431	3,996	-	3,996	-	-	-
Management and General	1,272,671	-	1,272,671	1,896,976	-	1,896,976	(2,716,037)	-	(2,716,037)
Total Expenses	4,152,454	-	4,152,454	2,967,455	-	2,967,455	(2,716,037)	-	(2,716,037)
Change in Net Assets	42,939	-	42,939	53,737	-	53,737	-	-	-
Net Assets, Beginning of Year	81,120	-	81,120	1,344,716	-	1,344,716	-	-	-
Net Assets, End of Year	\$ 124,059	\$ -	\$ 124,059	\$ 1,398,453	\$ -	\$ 1,398,453	\$ -	\$ -	\$ -

See independent auditor's report.

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Combining Statement of Activities by School (Continued)
For the Year Ended June 30, 2022

	Total		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
State and Local Public School Funding			
Minimum Foundation Program	\$ 14,169,177	\$ -	\$ 14,169,177
Federal Grants	6,724,775	-	6,724,775
Federal School Lunch Program	1,162,385	-	1,162,385
Private Grants and Contributions	365,737	-	365,737
Other State Funding	196,960	-	196,960
Other Income	138,048	-	138,048
Interest Income	276	-	276
Intracompany Revenue, Charter Management Fees	-	-	-
Total Support and Revenue	22,757,358	-	22,757,358
Expenses			
Program Services - Student Instruction and Activities			
Regular Education	8,662,582	-	8,662,582
Special Education	2,940,146	-	2,940,146
Special Programs	386,802	-	386,802
Pupil Support	407,568	-	407,568
Supporting Services			
School Administration	1,995,454	-	1,995,454
Instructional Staff Support	19,421	-	19,421
Management and General	6,347,356	-	6,347,356
Total Expenses	20,759,329	-	20,759,329
Change in Net Assets	1,998,029	-	1,998,029
Net Assets, Beginning of Year	1,345,903	-	1,345,903
Net Assets, End of Year	\$ 3,343,932	\$ -	\$ 3,343,932

See independent auditor's report.

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Schedule of Board of Directors
For the Year Ended June 30, 2022

Board Members	Compensation
Alysson Mills, Chair	\$ -0-
Brooke Wyatt, Co-Chair	\$ -0-
Hans Jonassen, Treasurer	\$ -0-
Adrienne Celestine, Secretary	\$ -0-
Ashley Netter	\$ -0-
Margo Phelps	\$ -0-
Scott Champagne	\$ -0-

See independent auditor's report.

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended June 30, 2022

Agency Head
 Myrialis King, Chief Executive Officer

Purpose	Amount
Salary	\$200,000
Benefits - Insurance	\$4,567
Benefits - Retirement	\$10,125
Benefits - Other	\$0
Car Allowance	\$14,400
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Directors
Community Academies of New Orleans, Inc.
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Academies of New Orleans, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2022.

Internal Control Over Financial Reporting

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

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
December 27, 2022

**REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Directors
Community Academies of New Orleans, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Academies of New Orleans, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



A Professional Accounting Corporation

Baton Rouge, LA
December 27, 2022

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures
<u>United States Department of Agriculture</u>			
Passed through the Louisiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	NONE	\$ 384,091
National School Lunch Program	10.555	NONE	719,604
Supply Chain Assistance	10.555	NONE	34,420
After School Snack Program	10.555	NONE	<u>14,879</u>
Total Child Nutrition Cluster			1,152,994
Total United States Department of Agriculture			<u>1,152,994</u>
<u>United States Department of Education</u>			
Passed through the Louisiana Department of Education			
Title I, Part A			
Title I Grants to Local Educational Agencies	84.010A	S010A210018	890,203
Title I Grants to Local Educational Agencies - Direct Student Services	84.010A	S010A210018	<u>28,270</u>
Total Title I, Part A			<u>918,473</u>
Special Education Cluster (IDEA)			
Special Education - Grants to States (IDEA Part B)	84.027A	H027A210033	345,734
Special Education - High Cost Services (IDEA Part B)	84.027A	H027A21003320	36,809
Special Education - Preschool Grants (IDEA Preschool)	84.173A	H173A210082	<u>7,667</u>
Total Special Education Cluster (IDEA)			<u>390,210</u>
Title III			
Title III English Language Acquisition State Grants	84.365A	S365A210018	32,517
Title III - Immigrant - English Language Acquisition State Grants	84.365A	S365A210018	51,218
Title III - Immigrant - Set Aside	84.365A	S365A210018	<u>1,828</u>
Total Title III			<u>85,563</u>
Title II Supporting Effective Instruction State Grants	84.367A	S367A210017	125,422
Title IV Student Support and Academy Enrichment	84.424A	S424A210019	61,066
COVID-19 - Education Stabilization Fund			
Elementary and Secondard School Emergency Relief Fund	84.425D	S425D200003	9,733
Elementary and Secondard School Emergency Relief Fund, II	84.425D	S425D210003	1,294,929
Elementary and Secondard School Emergency Relief Fund, III	84.425U	S425D210003	<u>3,310,457</u>
Total COVID-19 - Education Stabilization Fund			<u>4,615,119</u> *
Total United States Department of Education			<u>6,195,853</u>
<u>United States Department of Health and Human Services</u>			
Passed through the Louisiana Department of Education			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	<u>58,000</u>
Total United States Department of Health and Human Services			<u>58,000</u>
Total Expenditures of Federal Awards			<u>\$ 7,406,847</u>

* Denotes Major Program

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Note 1. General

The accompanying schedule of expenditures of federal awards (SEFA) presents the activity of the federal awards of Community Academies of New Orleans, Inc. (the Organization). The Organization's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2022. All federal awards received from federal agencies are included on the schedule.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Organization has met the qualifications for the respective grants.

Accrued Reimbursement

Various reimbursement procedures are used for federal awards received by the Organization. Consequently, timing differences between expenditures and program reimbursements may exist at the beginning and end of the year. Any accrued balances at year-end represent an excess of reimbursable expenditures over reimbursements received.

Note 3. Indirect Cost Rates

The Organization did not include any expenditures related to indirect cost rate calculations nor any 10% de minimis cost rate calculations in its schedule of expenditures of federal awards as there were no indirect cost rates utilized as part of the federal grant activity.

Certain costs, such as those associated with budgeting, accounting, personnel administration, et cetera, benefit more than one program but are not readily assignable to the programs receiving the benefits. Some agencies and universities apply a federally-approved indirect cost rate to direct program costs to recover a portion of these indirect costs from federal grants or contracts. Indirect costs charged to federal grants and contracts by means of approved indirect cost rates are recognized as disbursements or expenditures in the SEFA.

Note 4. Federal Revenue Reconciliation

During the year ended June 30, 2022, the Organization received approximately \$472,357 in ESSER grant funding for which expenses from prior periods were submitted as allowable costs. These expenses are not reported on the June 30, 2022 schedule of expenditures of federal awards.

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Part I - Summary of Auditor's Results

Financial Statement Section

- | | |
|--|------------|
| 1. Type of auditor's report | Unmodified |
| 2. Compliance and internal control over financial reporting | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified not considered to be material weaknesses? | None |
| c. Noncompliance noted? | None |

Federal Awards Section

- | | |
|---|------------|
| 3. Type of auditor's report issued on compliance for major programs | Unmodified |
| 4. Internal control over major programs | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified not considered to be material weaknesses? | None |
| 5. Audit findings disclosed that are required in accordance with the Uniform Guidance | None |
| 6. Identification of major programs | |
| 84.825 - COVID-19 Education Stabilization Fund | |
| 7. Dollar threshold used to distinguish between Type A and B programs | \$750,000 |
| 8. Auditee qualified as a low-risk auditee under the Uniform Guidance | No |

Part II - Financial Statement Findings Section

None.

Part III - Federal Award Findings and Questioned Costs Section

None.

COMMUNITY ACADEMIES OF NEW ORLEANS, INC.
NEW ORLEANS, LOUISIANA
Summary Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2022

Part I - Financial Statement Findings Section

None.

Part II - Federal Award Findings and Questioned Costs Section

None.