



Edward Hynes Charter School

Board Meeting

Agenda

September 28, 2020

**HYNES CHARTER SCHOOL CORPORATION
BOARD MEETING**

Monday, September 28, 2020 at 5:00 PM
Edward Hynes Charter School
990 Harrison Avenue
New Orleans, Louisiana 70124

AGENDA - Modified

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes
 - a. August 10, 2020 – Board Meeting

STANDING ITEMS

1. Opportunity for public comment
2. Facilities Report
3. CEO's Report
4. Legal Report
5. Financial Report
 - a. Bourgeois Bennett – Audit Draft
 - b. Discussion of 2020 - 2021 budget revisions, including various new grant allocations
6. HR Report
7. Friends of Hynes Report

BOARD BUSINESS

1. Old business

2. New business

- a. The committee to draft the 2020-21 Hynes Pupil Progression Plan has been formed. The committee has several other meetings planned and working groups have been established to address the revised portions of the State template. Currently, our schools are following the NOLAPS PPP from 2019-20 until the revised plan is presented or adoption at the October 2020 Board meeting.
- b. Motion to adopt the following agreements:
 - Cooperative Endeavor Agreement between Friends of Hynes and Hynes Charter School Corporation.
 - Cooperative Endeavor Service Agreement between Friends of Hynes and Hynes Charter School Corporation – Transfer of Funds.
- c. Motion to revise and amend the motion “to approve the 2020-2021 Employee Benefits Plan, adding the option for employees to select a Flexible Savings Account (FSA), and including approval for the FSA provider to draft via ACH from the Hynes Operating Bank Account,” from the August 10, 2020 meeting, and to include adoption of the 2020-2021 Hynes Employee Benefits Cafeteria Plan.

3. Adjournment

**HYNES CHARTER SCHOOL CORPORATION
BOARD MEETING**

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990 Harrison Avenue
New Orleans, Louisiana 70124

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3. Adjournment



Edward Hynes Charter School

Board Meeting

Minutes

August 10, 2020



**Edward Hynes Charter School
990 Harrison Avenue
New Orleans, Louisiana 70124**

**Board of Directors Meeting
Monday, August 10, 2020**

Board Members Present: Bill Chauvin, Jan Janz, Kris Scairono, Alvin C. Miester III, Barbara Richard

Board Members Absent: Helene Derbigny, Cassandra Youmans

Others Present: Elizabeth Bagert, Michelle Douglas, Carrie Leaumont, Leon Mathes, Shawn Persick, Mike Townsend

Alvin C. Miester III, Board President, called the meeting to order at 5:07 pm and proceeded with the agenda.

1. **Approval of agenda.** Barbara Richard made a motion to approve the August 10, 2020 meeting agenda. Jan Janz seconded the motion. With no public comment, the motion carried by a unanimous vote of board members present.
2. **Approval of minutes.** Jan Janz made a motion to waive the reading of and to approve the June 8, 2020 board meeting minutes and budget hearing minutes. Kris Scairono seconded the motion. With no public comment, the motion carried by a unanimous vote of board members present.
3. **Public comment.** Michelle Douglas, CEO of Hynes Charter Schools, asked for all to partake in a moment of silence for the passing of a former Hynes employee and volunteer.
4. **Facilities update.** Mike Townsend – see attachment.
5. **CEO's report.** Michelle Douglas – see attachment.

6. **Legal committee report.** None.

7. **Financial report.** Leon Mathes – See attachment.

a. Discussion of the following:

i. Financial statements for Hynes-Lakeview and Hynes-UNO as June 30, 2020.

8. **HR report.** None.

9. **Friends of Hynes Report.** Bill Chauvin informed the board that representatives of the Friends of Hynes (FOH) board met with UNO and Ben Franklin High School representatives on Friday, August 7, 2020. Key elements were discovered which result in changing the footprint of the Hynes-UNO campus. The architect will survey the land and create a new potential footprint of the Hynes-UNO campus.

10. **Old business.** None.

11. **New business.**

a. Bill Chauvin made a motion to approve the 2020-2021 Employee Benefits Plan, adding the option for employees to select a Flexible Savings Account (FS), and including approval for the FSA provider to draft via ACH from the Hynes Operating Bank Account. Barbara Richard seconded the motion. With no public comment, the motion carried unanimously by roll call of board members present.

b. Kris Scairono made a motion to authorize the CEO and Board Chair of Hynes Charter School Corporation (Hynes) to engage a contractor in an HVAC service agreement, subject to budget restrictions. Barbara Richards seconded the motion. With no public comment, the motion carried unanimously by roll call of board members present.

c. Jan Janz made a motion to approve the Hynes Interim COVID-19 Return to School Campus Guidelines, Policies, and Procedures. Bill Chauvin seconded the motion. With no public comment, the motion carried unanimously by vote of board members present.

d. Barbara Richard made a motion to authorize the CEO of Hynes to engage in a discussion with NOLAPS for a CEA, should Hynes be selected in the siting process of Mary D. Coghill school. Kris Scairono seconded the motion. With no public comment, the motion carried unanimously by roll call of board members present.

e. Bill Chauvin made a motion to authorize the CEO and Board Chair of Hynes to execute a CEA with Friends of Hynes, subject to satisfactory negotiation approval by consult. Barbara Richards seconded the motion. With no public comment, the motion carried unanimously by roll call of board members present.

f. Jan Janz made a motion to approve the contracted service agreement for Special Education and Related Services between NOLAPS and Hynes for the 2020-2021

school year. Kris Scairono seconded the motion. With no public comment, the motion carried unanimously by roll call of board members present.

With no further business to discuss, a motion to adjourn was made by Barbara Richard, seconded by Kris Scairono, and passed unanimously by a vote of board members present. The meeting was adjourned at 6:40 pm.



Edward Hynes Charter School

Board Meeting

Reporting Documents

September 28, 2020

**Edward Hynes Charter School
Facilities Report
September 28, 2020**

- 1. Coronavirus, (COVID 19) Preventive Measures**
- 2. Phase III – NOLAPS**
- 3. Hynes-Lakeview & Hynes–UNO**
 - a. Ongoing Repairs & Maintenance
- 4. Professional Development**
 - a. Learning Session

**Edward Hynes Charter School
CEO's Report
September 28, 2020**

Students & Academic

1. Annual goals from 2019-20

Hynes-Lakeview

Reading Goal: By May 2020, 92% of students will read on or above level.

Language Goal: By May 2020, 80% of 3rd-8th grade students will score strong overall performance on the 2020 LEAP 2025 in ELA.

Math Goal: By May 2020, 65% of 3rd-8th grade students will score strong overall performance on the 2020 LEAP 2025 in Math.

Science and Social Studies Goal: By May 2020, 65% of 3rd-8th grade students will score strong overall performance on the 2020 LEAP 2025 in Science and Social Studies.

Hynes-UNO

Reading and Math: By May 2020, 92% of students in Kindergarten will score on or above level in Reading and 90% will score on or above level in Mathematics as measured by the end of the year assessments. (We will add 1st grade goals.)

***These goals will be the baseline for 2021 goals that we set, and will be revised based upon beginning of the year assessments. LEAP 2025 was not administered. Data will be analyzed by subgroups to determine if any gaps in performance exist.

2. Families selected from two educational pathways for the first quarter. Each campus has approximately 30% of their students in Option B, opt-out. The daily attendance rate is between 96%-98% for both campuses. Our team of teachers, administrators, and support staff are commended for keeping accurate attendance for students and seeking a rationale for absences, if necessary.
3. Families are currently being surveyed for their choice of pathway for the 2nd quarter. New roles and rosters will be generated based upon results. The Opt-out pathway will continue to be a hybrid of synchronous and asynchronous learning.
4. New technology has been ordered for both campuses to bring our tech count to a 1-to-1 program. Hynes-UNO received their devices. Hynes-LV is still waiting for the Dell computers. In the meantime, we have loaned devices to students whose families requested them so that they can do synchronous learning. We will depend on the return of these devices to create a 1-to-1 program.
5. Progress reports were delivered via secure email through ParentSquare. The second quarter starts on October 14th.
6. Both schools have met their enrollment match targets and vacancies are filled from the waitlist.
7. The new 2020-21 Pupil Progression Plan is in draft mode; there are no substantive changes in grading practices being considered. This plan will be circulated prior to being brought for approval to the October 19, 2020 meeting.

8. The LEAP360 baseline assessment is currently being administered to both Option A and B students based on a schedule developed by the assessment team.

Faculty, Staff, and Administration

1. Hynes-UNO has two vacancies for new positions (teacher and assistant) which were necessitated by the student enrollment in special programs, and these will have additional revenue associated with the positions. The Hynes-LV and Hynes-UNO campuses each have one vacancy for a budgeted teaching assistant.
2. The Hynes 3 Principal has been selected and will report to work on October 1. The first 60 days will be utilized for developing a two-year transformation plan.
3. The Hynes Mental Health and Wellness Leadership Team has planned some action steps to support students and adults through experiencing stressors and effects of the current era. Special thanks to Shawn Persick for coordinating this important effort.
4. The Professional Learning Communities are in place and every teacher is assigned to a time, and we are ironing out a few scheduling conflicts. We continue our work with TNTP as a partner. The purpose of PLCs is to increase teacher capacity for teaching, data analysis, and assessment using tier 1 curriculum and through the lens of diversity, equity, and inclusion.
5. The EdFuel project has come to a close and is on a 90-day check-in plan. The use of the new ADP hiring center has been beneficial to recruitment, onboarding, and benefits selection as well as a space to distribute and confirm receipt of company policies. This increases our commitment to equitable hiring practices.
6. The Beloved Community cohort has conducted two sessions, with a third scheduled in mid-October. Six members of our team are enrolled in the cohort to continue our DEI work and generate an action plan to increase cultural competence. Next steps are to collect vendor information and seek professional development opportunities for our staff.

Family and Community Involvement

1. The Hynes SPED Advisory Council continues to meet virtually and meetings are scheduled bi-monthly.
2. PTO has incorporated contingency plans for fall activities. Both schools hosted back to school welcome events within the CDC parameters. The theme is "Wild About Hynes... The Adventure Continues!"
3. We experienced unanticipated difficulties with the migration of data from Power School to Parent Square, our home and school communications portal.

Operations and Facilities

1. To date, Hynes has completed required reports: the Annual Financial Report (AFR), the budget report and the millage report. The audit is complete and will be submitted after this meeting.
2. In August, we had a complete evaluation of the Hynes-UNO AC units. Maintenance of those units was completed prior to students arriving. There are other AC units in unused classrooms and are on the list to complete.

3. NOLA-PS selected a contractor for the Phase III of work Hynes-LV. That work has not started.
4. NOLA-PS thoroughly inspected our processes and procedures during the first week of hosting in-person learning. There were no deficiencies, and both campuses achieved 100% compliance. Special thanks to our leaders and the facilities teams for this accomplishment.
5. The NOLA-PS Children Nutrition Department continues to serve both in-person and drive through meals to registered students. School Nutrition Week will be celebrated the week of October 19th.
6. We have worked with data managers and our diverse learning program administrators to ensure that our student enrollment and count are accurately reflected in our PowerSchool and other data systems.

Replication

1. The strategic plan is broken into several implementation plans. We continue to refine and codify standard operating procedures for academic, talent, and financial sustainability. These documents are being branded, saved to PDF, and stored in a shared drive which will be accessible to any employee in our organization. The Hynes-Coghill at Parkview transformation will be added to this work.
2. Hynes was named as operator of the Mary D. Coghill School located at the Parkview Campus in the Gentilly Woods/Pontchartrain Park area of the city. We are awaiting the opportunity to draft the charter agreement.
3. LEA Transition Work:
 - a. The Hynes Compass Evaluation System is now active and ready for the evaluation process to begin for teaching staff. The talent evaluation timeline has been updated.
 - b. A Pupil Progression Plan will be adopted in October 2020.
 - c. The handbooks and process have all been added to the One Note drive in our system for easy access by faculty and staff.
 - d. The Finance/HR department is celebrating its first successful of the Super App for both campuses. We are awaiting approval of the CARES Act funding request.
 - e. The ParentSquare and PowerSchool instances are active and are becoming more and more accurate as the data are updated.

Hynes has identified five core elements that drive our success with students

Student-centered instruction

We advocate, nurture and sustain a culture of high expectations for performance with equitable opportunities for students to learn with a collective responsibility for students' success.

Inclusive and positive school culture

We focus intentionally on the social-emotional development of students and staff in a safe school environment. Relationships are at the heart of all we do. We value celebration and recognition of our entire school community.

Tailored enrichment opportunities for students

We offer a variety of programs for all students including clubs, sports, competitive and non-competitive teams, arts, music, foreign language, coding, technology, and engineering during school hours and after school hours, as defined by community interests.

Invested and committed community

We engage, educate, and empower internal and external stakeholders to advance the organization's mission and goals for sustained, continuous improvement.

Sustainable organization

We responsibly coordinate resources and programs to advance the mission and vision of the organization while being good and ethical stewards of public and private funds. Our collaborative, distributed leadership structure develops strong leaders from within and elevates teacher voice.



Financial Report

Hynes Charter School Corporation

June 30, 2020 and 2019

Draft
 For discussion purposes only
 Subject to review and revision
 Not to be distributed to or
 relied upon by third parties
 Dated September 17, 2020

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 New Orleans, Louisiana

June 30, 2020 and 2019

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New Orleans, Louisiana

June 30, 2020 and 2019

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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, 2020, 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

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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, 2020, 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

Other auditors have previously audited Hynes Charter School Corporation's 2019 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated September 26, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules (pages 21 - 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 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.

Certified Public Accountants

New Orleans, Louisiana,

STATEMENT OF FINANCIAL POSITION

Hynes Charter School Corporation
New Orleans, Louisiana

June 30, 2020
(with comparative totals for 2019)

	2020	2019
ASSETS		
Cash	\$ 5,529,847	\$ 4,807,089
Cash restricted for student activities	158,322	66,027
Grants and other receivables	745,557	336,599
Prepaid expenses	93,427	102,847
Inventory	13,165	22,698
Other assets	17,400	10,000
Equipment, net	3,429	6,858
Total assets	<u>\$ 6,561,147</u>	<u>\$ 5,352,118</u>
LIABILITIES		
Accounts payable	\$ 279,401	\$ 224,342
Accrued expenses	532,677	694,335
Deferred revenue	104,716	84,712
Loans payable	1,288,418	-
Total liabilities	<u>2,205,212</u>	<u>1,003,389</u>
NET ASSETS		
Without donor restrictions	4,304,864	4,300,548
With donor restrictions	51,071	48,181
Total net assets	<u>4,355,935</u>	<u>4,348,729</u>
Total liabilities and net assets	<u>\$ 6,561,147</u>	<u>\$ 5,352,118</u>

See notes to financial statements

STATEMENT OF ACTIVITIES

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2020
(with comparative totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Totals	2019 Totals Only
Revenues and Other Support				
Grants:				
Federal	\$ 618,145	\$ -	\$ 618,145	\$ 259,025
State	48,668	-	48,668	30,050
Other	379,719	40,000	419,719	333,300
State and local Minimum Foundation Program	8,008,751	-	8,008,751	6,719,732
Donations	17,071	250	17,321	171,657
Student fees	-	312,318	312,318	357,321
Miscellaneous revenue	113,018	14,885	127,903	130,588
Net assets released from restrictions	364,563	(364,563)	-	-
Total revenues and other support	9,549,935	2,890	9,552,825	8,001,673
Expenses				
Program services	6,679,793	-	6,679,793	5,799,106
Management and general	2,843,738	-	2,843,738	2,248,513
Fundraising	22,088	-	22,088	22,275
Total expenses	9,545,619	-	9,545,619	8,069,894
Increase (decrease) in net assets	4,316	2,890	7,206	(68,221)
Net Assets				
Beginning of year	4,300,548	48,181	4,348,729	4,416,950
End of year	\$ 4,304,864	\$ 51,071	\$ 4,355,935	\$ 4,348,729

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2020
(with comparative totals for 2019)

	Program Services	Management and General	Fundraising	Total Expenses	2019 Totals Only
Administrative fee	\$ 541,469	\$ -	\$ -	\$ 541,469	\$ 440,129
Advertising	-	1,255	-	1,255	3,404
Depreciation	3,155	274	-	3,429	3,429
Disposal services	18,247	1,587	-	19,834	10,168
Dues and fees	31,586	8,024	-	39,610	37,118
Employee benefits and payroll taxes	1,253,707	629,868	5,361	1,888,936	1,594,715
Equipment rental	13,637	6,713	-	20,350	17,584
Food service management	10,725	3,998	-	14,723	12,447
Information technology services	131,980	2,693	-	134,673	127,379
Insurance	135,369	11,771	-	147,140	124,016
Materials and supplies	322,416	145,730	-	468,146	347,024
Miscellaneous expense	1,839	25,310	-	27,149	47,243
Professional development	72,043	10,225	-	82,268	83,904
Professional services	152,427	63,678	-	196,105	223,872
Repairs and maintenance	166,127	14,446	-	180,573	202,037
Salaries and wages	3,461,549	1,879,489	16,727	5,357,765	4,413,237
Telephone and postage	-	1,350	-	1,350	7,435
Textbooks	62,889	-	-	62,889	112,793
Transportation	42,509	-	-	42,509	54,321
Travel	32,381	15,958	-	48,339	33,519
Utilities	245,738	21,369	-	267,107	174,120
	\$ 6,679,793	\$ 2,843,738	\$ 22,088	\$ 9,545,619	\$ 8,069,894

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Hynes Charter School Corporation
New Orleans, Louisiana

June 30, 2020 and 2019

STATEMENT OF CASH FLOWS

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2020
(with comparative totals for 2019)

	2020	2019
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 7,206	\$ (68,221)
Adjustments to reconcile increase (decrease) in net assets to cash used in operating activities:		
Depreciation	3,429	3,429
(Increase) decrease in assets:		
Grants receivable	(408,958)	(196,814)
Prepaid expenses	9,420	2,335
Inventory	9,533	(22,698)
Other	(7,400)	-
Increase (decrease) in liabilities:		
Accounts payable	55,059	(55,645)
Accrued payroll liabilities	(161,658)	211,777
Deferred revenue	20,004	5,518
Net cash used in operating activities	(473,365)	(120,319)
Cash Flows From Financing Activities		
Borrowings of long-term debt	1,288,418	-
Net Increase (Decrease) in Cash	815,053	(120,319)
Cash		
Beginning of year	4,873,116	4,993,435
End of year	\$ 5,688,169	\$ 4,873,116

Note 1 - 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 I 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.

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.

See notes to financial statements.

Note 1 - 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, 2020 and 2019, 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 - 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, 2020 and 2019, 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 - 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, 2020 and 2019, the School received \$3,069,855 and \$2,497,341, respectively, from the state and \$4,748,937 and \$4,136,384, respectively, from OPSB, in addition to \$189,959 and \$86,007 received during the years ended June 30, 2020 and 2019, respectively, which related to prior years. MFP revenue accounts for 84% and 83% of the School's total revenue for the years ended June 30, 2020 and 2019, respectively.

k. Functional Allocation of Expenses

As required under the 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, 2020, 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, 2017 and later remain subject to examination by the taxing authorities.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Recently Issued Accounting Standards

Statement of Cash Flows

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows" (Topic 230). ASU No. 2016-18 requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the Statement of Cash Flows. The amendments in the ASU No. 2016-18 do not provide a definition of restricted cash or restricted cash equivalents. The ASU is effective for fiscal years beginning after December 15, 2018. The School has adopted the provisions of ASU No. 2016-18 and has retrospectively applied this standard to the financial statements as of and for the year ended June 30, 2019.

Contributions Received and Made

In June 2018, the FASB issued ASU No. 2018-08, "Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made". ASU No. 2018-08 should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for fiscal years beginning after December 15, 2018. The School has adopted the provisions of ASU No. 2018-08 and has retrospectively applied this standard to the financial statements as of and for the year ended June 30, 2019.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Recently Issued Accounting Standards (Continued)

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.

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, 2020, with certain early adoption provisions available. The School is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

n. Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 financial statement presentation.

o. 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 _____, 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, 2020, the School's bank balances were approximately \$5,750,000. Balances insured by the Federal Deposit Insurance Corporation, which covers up to \$250,000 per financial institution totaled \$250,000 as of June 30, 2020. The remaining deposits of approximately \$5,500,000 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 \$158,322 and \$66,027 as of June 30, 2020 and 2019, respectively, and are reported as cash restricted for student activities in the statement of financial position.

Note 4 - GRANT AND OTHER RECEIVABLES

Grant and other receivables are comprised of the following as of June 30, 2020 and 2019:

	2020	2019
Grant receivables:		
Title I	\$258,747	\$110,826
Title II	8,940	8,437
Title III	2,355	3,784
Title IV	10,364	15,143
Educational Excellence Fund	39,164	25,835
Striving Readers Comprehensive Literacy	43,519	46,754
E-rate - Universal Service Administrative Company	33,974	-
Charter School Program	334,738	43,943
High Cost	9,504	2,678
Total grant receivables	741,305	257,400
Government rebates	-	27,372
Other receivables	4,252	51,827
Total grant and other receivables	<u>\$745,557</u>	<u>\$336,599</u>

**Exhibit E
(Continued)**

Note 5 - EQUIPMENT

Equipment as of June 30, 2020 and 2019 consists of the following:

	2020	2019
Equipment - cost	\$ 31,623	\$ 31,623
Less accumulated depreciation	<u>(28,194)</u>	<u>(24,765)</u>
Totals	\$ 3,429	\$ 6,858

Depreciation expense for both of the years ended June 30, 2020 and 2019 totaled \$3,429.

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, 2020 and 2019, 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 \$48,755 and \$36,487 of unpaid leave as of June 30, 2020 and 2019, respectively, which is included in accrued expenses on the Statements of Financial Position.

Note 7 - LOANS PAYABLE

On April 15, 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 is 1%. Management expects that this loan will be repaid by SBA within 12 months and that all expenditures paid from the loan proceeds will be approved as eligible for loan forgiveness under the requirements of the PPP. Any amounts not forgiven would be amortized over a period of two years.

**Exhibit E
(Continued)**

Note 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2020 and 2019 are restricted for the following purposes:

	2020	2019
Subject to expenditure for specified purpose: Instructional and other	<u>\$ 51,071</u>	<u>\$ 48,181</u>

Net assets released from restrictions during the years ended June 30, 2020 and 2019 are as follows:

	2020	2019
Purpose restrictions satisfied:		
Before/after care	\$ 327,450	\$ 357,736
Instructional and other	<u>37,113</u>	<u>49,941</u>
Total net assets released	<u>\$ 364,563</u>	<u>\$ 407,677</u>

Note 9 - RETIREMENT PLAN

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSLS). 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 26.0% and 26.7% of the annual covered payroll of each participating employee for the years ended June 30, 2020 and 2019, respectively. These contribution levels are established by state law and set by the Public Retirement Systems Actuarial Committee. For the years ended June 30, 2020 and 2019, School contributions to this plan totaled \$1,230,832 and \$1,009,772, respectively.

Note 10 - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2020 and 2019, the School had related party expenses totaling \$659,560 and \$537,483, respectively, with OPSB, the School's Local Educational Agency. There was no receivable balance due from the OPSB as of June 30, 2020 and 2019. As of June 30, 2020 and 2019, \$208,700 and \$154,345, respectively, was included in accounts payable.

The Louisiana Legislature approved a 2% administrative fee to be paid by all charter schools to the LEA. For the years ended June 30, 2020 and 2019, the School paid \$541,469 and \$440,129, respectively, in administrative fees to OPSB. In addition, the School incurred \$107,366 and \$86,689 of related party expenses to the OPSB for insurance costs on their current locations under the lease agreement for the years ended June 30, 2020 and 2019, respectively.

The remaining related party expenses of \$10,725 and \$10,665 are for the food services provided by OPSB for meals at the School for the years ended June 30, 2020 and 2019, respectively.

During the year ended June 30, 2019, the School received \$160,000 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, 2017 and will expire on June 30, 2021. The agreement may be renewed for a period of one year at the option of the OPSB. For the use of the facilities, the School reimburses property insurance costs to the OPSB. The School paid \$96,366 and \$86,689 for the years ended June 30, 2020 and 2019, respectively, in property insurance reimbursement costs.

Note 11 - SCHOOL OPERATIONS/LEASEHOLD INTEREST (Continued)

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 the OPSB. This agreement will expire on June 30, 2021. The agreement may be renewed for a period of one year at the option of the OPSB. For the use of the facilities, the School reimburses property insurance costs to the OPSB. The School paid \$11,000 for the year ended June 30, 2020 in property insurance reimbursement costs.

As of June 30, 2020 and 2019, the School has a \$10,000 security deposit with the 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, 2020, reduced by amounts not available for general use because of grantor or donor-imposed restrictions.

Financial assets:	
Cash	\$5,529,847
Grants receivable	<u>745,557</u>
	6,275,404
Total financial assets as of June 30, 2020	
Less amounts unavailable for general expenditures within one year, due to:	
Grantor and donor imposed restrictions:	
Restricted by grantors and donors with purpose restriction	<u>(51,071)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$6,224,333</u>

Note 13 - COMMITMENTS

The School has employment contracts as is standard in the field of education with most of its teachers and which expire June 30, 2020 and are paid through July 31, 2020. All contracts provide for a minimum annual salary and other benefits.

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, 2020 and 2019.

Note 16 - SUBSEQUENT EVENTS

The recent global outbreak of the Coronavirus (COVID-19) has raised concerns regarding business, and the financial markets have recently experienced significant volatility. While the School has been immediately impacted by the adverse conditions in the financial markets, the long term impact on the School's operations is uncertain at this time.

The School is following the guidelines of the Louisiana Department of Health along with federal and state of Louisiana guidelines as they relate to COVID-19.

**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, 2020

Agency Head Name: Michelle Douglas, Chief Executive Officer

Purpose	\$
Salary	\$167,269
Benefits - insurance	6,983
Benefits - retirement	43,536
Deferred compensation	0
Workers compensation	665
Benefits - life insurance	3
Benefits - long term disability	949
Benefits - Fica and Medicare	2,425
Car allowance	0
Vehicle provided by government	0
Cell phone	1,024
Dues	4,700
Vehicle rental	0
Per diem	584
Tuition reimbursements	5,805
Travel	0
Registration fees	0
Conference travel	972
Unvouchered expenses	0
Meetings and conventions	0
Other	25
	<u>\$234,940</u>

SUPPLEMENTARY INFORMATION

SCHEDULE OF ACTIVITIES - LAKEVIEW CAMPUS

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2020
(with comparative totals for 2019)

	2020			2019 Totals Only
	Program Services	Management and General	Fundraising	
Revenues and Other Support				
Grants:				
Federal	\$ 410,572			\$ 259,025
State	46,070			30,050
Other	230,000			333,300
State and local Minimum Foundation Program	7,006,715			6,719,732
Donations	17,321			171,657
Student fees	273,236			357,321
Miscellaneous revenue	125,051			130,588
Total revenues and other support	8,108,965			8,001,673

	2020			2019 Totals Only
	Program Services	Management and General	Fundraising	
Expenses				
Administrative fee	\$ 477,873	\$ -	\$ -	440,129
Advertising	-	1,255	-	3,404
Depreciation	3,155	274	-	3,429
Disposal services	11,380	980	-	10,168
Dues and fees	30,816	8,024	-	37,118
Employee benefits and payroll taxes	1,139,528	509,498	5,361	1,594,715
Equipment rental	11,307	4,728	-	17,584
Food service management	10,725	3,998	-	12,447
Information technology services	112,259	2,291	-	127,379
Insurance	125,249	10,891	-	124,016
Materials and supplies	269,157	37,616	-	347,024
Miscellaneous expense	1,745	22,038	-	47,243
Professional development	38,180	10,171	-	83,904
Professional services	66,419	59,053	-	223,872
Repairs and maintenance	139,668	12,145	-	202,037
Salaries and wages	3,107,614	1,517,902	16,727	4,413,237

SCHEDULE OF FINANCIAL POSITION BY CAMPUS

Hynes Charter School Corporation
New Orleans, Louisiana

June 30, 2020
(with comparative totals for 2019)

	2020		2019
	Lakeview	UNO	
ASSETS			
Cash	\$ 5,396,283	\$ 133,564	\$ 4,807,089
Cash restricted for student activities	121,496	36,826	66,027
Grants and other receivables	525,786	219,771	336,599
Due from other campus	327,162	-	-
Prepaid expenses	41,028	52,399	102,847
Inventory	5,898	7,267	22,698
Other	10,000	7,400	10,000
Property and equipment, net	3,429	-	6,858
Total assets	\$ 6,431,082	\$ 457,227	\$ 5,352,118

	2020		2019
	Lakeview	UNO	
LIABILITIES			
Accounts payable	\$ 221,456	\$ 57,945	\$ 224,342
Accrued expenses	489,129	43,548	694,335
Due to other campus	-	327,162	-
Deferred revenue	79,603	25,113	84,712
Loans payable	1,288,418	-	-
Total liabilities	2,078,606	453,768	1,003,389
NET ASSETS			
Total net assets	4,352,476	3,459	4,348,729
Total liabilities and net assets	\$ 6,431,082	\$ 457,227	\$ 5,352,118

Schedule 3
(Continued)

Schedule 4

SCHEDULE OF ACTIVITIES - UNO CAMPUS

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2020
(with comparative totals for 2019)

	2020		2019
	Program Services	Management and General Fundraising	Totals Only
Expenses (Continued)			
Telephone and postage	-	-	7,435
Textbooks	62,889	1,226	112,793
Transportation	21,101	-	54,321
Travel	27,552	15,177	33,519
Utilities	192,497	16,739	174,120
Total expenses	\$ 5,849,114	\$ 2,234,016	\$ 8,069,894
Increase (decrease) in net assets			
Net assets			
Beginning of year			4,416,950
End of year			\$ 4,348,729

Revenues and Other Support

	2020		2019
	Program Services	Management and General Fundraising	Totals Only
Grants:			
Federal			\$ 207,573
State			2,598
Other			189,719
State and local Minimum Foundation Program			1,002,036
Donations			-
Student fees			39,082
Miscellaneous revenue			2,852
Total revenues and other support			1,443,860

Expenses

	2020	2019
Administrative fee	\$ 63,596	\$ -
Advertising	-	-
Depreciation	-	-
Disposal services	6,867	597
Dues and fees	770	-
Employee benefits and payroll taxes	114,179	120,370
Equipment rental	2,330	1,985
Food service management	-	-
Information technology services	19,721	402
Insurance	10,120	880
Materials and supplies	53,259	108,114
Miscellaneous expense	94	3,272
Professional development	33,863	54
Professional services	66,008	4,625
Repairs and maintenance	26,459	2,301
Salaries and wages	353,935	361,587
Total	\$ 63,596	\$ -

**Schedule 4
(Continued)**

	2020		2019 Totals Only
	Program Services	Management and General Fundraising	
Expenses (Continued)			
Telephone and postage	-	124	-
Textbooks	-	-	-
Transportation	21,408	-	21,408
Travel	4,829	781	5,610
Utilities	53,241	4,630	57,871
Total expenses	\$ 830,679	\$ 609,722	\$ 1,440,401
Increase (decrease) in net assets			3,459
Net assets			-
Beginning of year			-
End of year			\$ 3,459

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 Trustees,
Hynes Charter School Corporation,
New Orleans, 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, 2020, 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

Internal Control Over Financial Reporting

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

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

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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.

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(Continued)

SCHEDULE OF FINDINGS AND RESPONSES

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

Hynes Charter School Corporation
New Orleans, Louisiana

Compliance and Other Matters

For the year ended June 30, 2020

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2020.

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: 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 financial statements noted? Yes No

b) 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 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, 2020.

Section III - Federal Award Findings and Questioned Costs

Internal Control/Compliance

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*.

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2020

**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, 2019 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, 2019 related to compliance and other matters.

REPORTS BY MANAGEMENT

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, 2019, 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, 2019.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2020

**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.

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, 2020, 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(1). 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 I)

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 I.
 - 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, 2019 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, 2019 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: No exceptions were noted.

Public School Staff Data: Average Salaries

4. We obtained the June 30, 2020 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: Exception noted: three individuals' salaries were incorrectly reported on the June 30, 2020 PEP data submitted to the Department of Education.

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.

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES

Hynes Charter School Corporation
New Orleans, Louisiana

For the year ended June 30, 2020
(Unaudited)

Certified Public Accountants

New Orleans, Louisiana,

General Fund Instructional and Equipment Expenditures

Instructional expenditures:	
Teacher and student interaction activities:	
Classroom teacher salaries	\$ 2,822,184
Other instructional staff salaries	443,770
Instructional staff employee benefits	1,169,904
Purchased professional and technical services	123,855
Instructional materials and supplies	205,302
Instructional equipment	-
Total teacher and student interaction activities	\$ 4,765,015
Other instructional activities	179,788
Pupil support services	1,004,528
Less: equipment for pupil support services	-
Net pupil support services	1,004,528
Instructional staff services	89,196
Less: equipment for instructional staff services	-
Net instructional staff services	89,196
School administration	966,505
Less: equipment for school administration	-
Net school administration	966,505
Total general fund instructional expenditures	<u>\$ 7,005,033</u>

* 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
UNO Campus
New Orleans, Louisiana

As of October 1, 2019
(Unaudited)

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0%	-	60%	3	40%	2	0%	-
Elementary Activity Classes	20%	2	60%	6	20%	2	0%	-
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
Lakeview Campus
New Orleans, Louisiana

As of October 1, 2019
(Unaudited)

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	27%	39	52%	75	21%	30	0%	-
Elementary Activity Classes	47%	94	27%	55	24%	49	2%	4
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
Chief Executive Officer
990 Harrison Avenue
New Orleans, Louisiana 70124
(504) 324-7180

September 11, 2020

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 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 with regard to the comments for the Profile of Educational Personnel data schedule. We will make appropriate changes to improve reporting on this schedule of performance that are cost-effective and within our budget constraints.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle B. Douglas".

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

Hynes Charter School Corporation
Approved Budget
Statement of Activities
For the Year Ending June 30, 2021

	Total
<u>Revenues and Other Support</u>	
MFP	8,431,000
Federal Grants	1,059,000
State & Local Grants	372,000
Other income	340,000
Total Revenues and Other Support	<u>\$ 10,202,000</u>

<u>Expenses</u>	
Salaries	6,013,000
Benefits	2,170,377
Child nutrition	16,000
Depreciation expense	14,000
Disposal services	22,000
Dues and fees	48,000
Equipment rental	23,000
Insurance	142,000
IT services	185,000
LEA (2% administrative fee)	177,000
LEA (additional services)	173,000
Materials and supplies	206,000
Other expense	50,000
Professional services	160,000
Repair and maintenance	163,000
Textbooks/Instructional Materials	164,000
Transportation	140,000
Travel	85,000
Utilities	251,000
Total Expenses	<u>\$ 10,202,000</u>

Change in Net Assets	<u>\$ -</u>
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Hynes Charter School Corporation
Budget
Statement of Activities
For the Year Ending June 30, 2021

	Lakeview	UNO	CMO	Total
<u>Revenues and Other Support</u>				
MFP	\$ 6,601,000	1,830,000	-	8,431,000
Federal Grants	\$ 1,278,000	558,000	253,000	2,089,000
State & Local Grants	\$ 308,000	176,000	-	484,000
Other income	\$ 211,000	\$0	56,000	267,000
Total Revenues and Other Support	\$ 8,398,000	\$ 2,564,000	\$ 309,000	\$ 11,271,000
<u>Expenses</u>				
Salaries	\$ 4,252,000	1,172,000	828,000	6,252,000
Benefits	\$ 1,520,000	431,000	304,000	2,255,000
Child nutrition	\$ 13,000	3,000		16,000
Depreciation expense	\$ 10,000	4,000		14,000
Disposal services	\$ 14,000	9,500		23,500
CMO Charge	\$ 675,000	190,000	(865,000)	-
Dues and fees	\$ 20,000	5,000	22,000	47,000
Equipment rental	\$ 18,000	5,000		23,000
Insurance	\$ 130,000	12,000		142,000
IT services	\$ 176,514	23,000		199,514
LEA (2% administrative fee)	\$ 140,000	37,000		177,000
LEA (additional services)	\$ 135,000	38,000		173,000
Materials and supplies	\$ 515,767	234,000		749,767
Professional development/other expenses	\$ 70,500	10,000		80,500
Professional services	\$ 120,155	70,000		190,155
Repair and maintenance	\$ 144,000	36,000		180,000
Textbooks/Instructional Materials	\$ 158,288	63,000		221,288
Transportation	\$ 70,000	70,000		140,000
Travel	\$ 36,000	61,800	20,000	117,800
Utilities	\$ 180,000	90,000		270,000
Total Expenses	\$ 8,398,000	\$ 2,564,000	\$ 309,000	\$ 11,271,000
Change in Net Assets	\$ -	\$ -	\$ -	\$ -

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Hynes Charter School Corporation
Board Budget Details - Lakeview
Statement of Activities
For the Year Ending June 30, 2021

	TOTAL	Operating	Fed Funds	CARES	NSNO	IQI	CSP	CSGF	CODOFIL	PTO	CEN/IEEF	PPP loan	NOLAPS
Revenues and Other Support													
MFP	6,601,000	6,601,000											
Federal Grants	1,278,000		445,000	540,000			159,000						134,000
State & Local Grants	308,000				59,000	20,000			74,000	75,000		20,000	
Other income	211,000	68,000											143,000
Total Revenues and Other Support	8,398,000	6,669,000	445,000	540,000	59,000	20,000	159,000	60,000	74,000	75,000	20,000	143,000	134,000
Expenses													
Salaries	4,252,000	3,734,500	151,500	142,000			118,000		74,000				32,000
Benefits	1,520,000	1,367,350	50,650	52,000			41,000						9,000
Child Nutrition	13,000	13,000											
Depreciation Expense	10,000	4,000		6,000									
Disposal Services	14,000	14,000											
CMO Charge	675,000	473,000			59,000								143,000
Dues and Fees	20,000	20,000											
Equipment Rental	18,000	18,000											
Insurance	130,000	99,000						31,000					
IT Services	176,514	125,874	24,640	26,000									
LEA (2% fee)	140,000	140,000											
LEA (additional services)	135,000	3,000	103,000					29,000					
Materials/Supplies	515,767	97,062	83,705	260,000									
Professional Development	70,500	27,000	10,000	13,500		20,000							
Professional Services	120,155	70,000	15,155	15,000							20,000		
Repair/Maintenance	144,000	144,000											
Textbooks/Tier 1	158,288	40,288		25,000									93,000
Transportation	70,000	70,000											
Travel	36,000	30,000	6,000										
Utilities	180,000	180,000											
Total Expenses	8,398,000	6,669,000	445,000	540,000	59,000	20,000	159,000	60,000	74,000	75,000	20,000	143,000	134,000

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Hynes Charter School Corporation
Board Budget Details - UNO
Statement of Activities
For the Year Ending June 30, 2021

	TOTAL	Operating	Fed Funds	CARES	NSNO	IQI	CSP	CEN/EEF	NOLAPS
Revenues and Other Support									
MFP	1,830,000	1,830,000							
Federal Grants	558,000		141,000	185,000	91,000	20,000	205,000	65,000	27,000
State & Local Grants	176,000								
Other Income	-								
Total Revenues and Other Support	2,564,000	1,830,000	141,000	185,000	91,000	20,000	205,000	65,000	27,000
Expenses									
Salaries	1,172,000	1,030,000	35,000	46,000			61,000		
Benefits	431,000	381,000	11,000	17,000			22,000		
Child nutrition	3,000	3,000							
Depreciation expense	4,000	4,000							
Disposal services	10,000	10,000							
CMO Charge	190,000	99,000			91,000				
Dues and fees	5,000	5,000							
Equipment rental	5,000	5,000							
Insurance	12,000	12,000							
IT services	23,000	23,000							
LEA (2% administrative fee)	37,000	37,000							
LEA (additional services)	38,000	6,000	32,000	102,000			84,000	5,000	
Materials and supplies	231,000	-	40,000				3,000		
Other expense	10,000	7,000							
Professional services	70,000	3,000	7,000					60,000	
Repair and maintenance	38,000	38,000							
Textbooks/Instructional Materials	63,000	1,000							35,000
Transportation	70,000	70,000							
Travel	62,000	6,000	16,000	20,000		20,000			
Utilities	90,000	90,000							
Total Expenses	2,564,000	1,830,000	141,000	185,000	91,000	20,000	205,000	65,000	27,000
Difference	-	(0)	-	-	-	-	-	-	-

Hynes Charter School Corporation
Board Budget Details - CMO
Statement of Activities
For the Year Ending June 30, 2021

	TOTAL	Operating	CSP
<u>Revenues and Other Support</u>			
CMO Charge	865,000	865,000	
Federal Grants	253,000		253,000
State & Local Grants	-	-	
Other income	56,000	56,000	
Total Revenues and Other Support	1,174,000	921,000	253,000

<u>Expenses</u>			
Salaries	828,000	641,000	187,000
Benefits	304,000	238,000	66,000
Child nutrition	-	-	
Depreciation expense	-	-	
Disposal services	-	-	
CMO Charge	-	-	
Dues and fees	22,000	22,000	
Equipment rental	-	-	
Insurance	-	-	
IT services	-	-	
LEA (2% administrative fee)	-	-	
LEA (additional services)	-	-	
Materials and supplies	-	-	-
Other expense	-	-	
Professional services	-	-	
Repair and maintenance	-	-	
Textbooks/Instructional Materials	-	-	-
Transportation	-	-	
Travel	20,000	20,000	
Utilities	-	-	
Total Expenses	1,174,000	921,000	253,000

(0)	-	-
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