

**EISNERAMPER**

**ADVOCATES FOR ACADEMIC EXCELLENCE  
IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2024**



**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors for  
Advocates for Academic Excellence in Education, Inc. and  
Affiliate d/b/a Benjamin Franklin High School  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Advocates for Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School (the School) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the consolidated financial statements).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the School as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GASS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the School 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 opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' 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 GAAS 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 consolidated financial statements as a whole. The schedule of board of directors; schedule of compensation, benefits, and other payments to agency head or chief executive officer; and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the consolidated 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.



The performance and statistical data, included as Schedules 1 and 2, are not a required part of the consolidated financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the independent accountants' report on applying agreed-upon procedures. However, such information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024, on our consideration of the School'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 School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
Metairie, Louisiana  
December 17, 2024

EISNERAMPER  
LLP



**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.**  
**AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 3,748,635
Investments	7,250,238
Grants receivable	633,426
Promises to give	42,455
Prepaid expenses	<u>296,572</u>
Total current assets	<u>11,971,326</u>

**FIXED ASSETS**

Property and equipment, net	<u>1,275,752</u>
Total assets	<u><u>\$ 13,247,078</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 1,439,122
Accrued expenses	<u>661,898</u>
Total current liabilities	<u>2,101,020</u>

**NET ASSETS**

Without donor restrictions	9,229,025
With donor restrictions	<u>1,917,033</u>
Total net assets	<u>11,146,058</u>
Total liabilities and net assets	<u><u>\$ 13,247,078</u></u>

The accompanying notes are an integral part of this consolidated financial statement.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.**  
**AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2024**

	<b>Without Donor Restictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues and support:</b>			
State and local public school funding	\$ 13,394,240	\$ -	\$ 13,394,240
Grants			
Federal grants	1,414,976	-	1,414,976
Other state grants	8,652	-	8,652
Contributions and donations	50,362	475,769	526,131
In-kind donations	25,125	-	25,125
Student class and course fees	355,842	-	355,842
Student activity fees	359,759	-	359,759
Interest income	132,596	-	132,596
Miscellaneous revenue	169,622	-	169,622
Net assets released from restrictions	191,571	(191,571)	-
	<u>16,102,745</u>	<u>284,198</u>	<u>16,386,943</u>
Total revenues and support			
<b>Expenses:</b>			
Program services			
Student instruction and activities	11,216,046	-	11,216,046
Support services:			
Management and general	2,801,471	-	2,801,471
Fundraising	412,027	-	412,027
Total support services	<u>3,213,498</u>	<u>-</u>	<u>3,213,498</u>
	<u>14,429,544</u>	<u>-</u>	<u>14,429,544</u>
Total expenses			
Change in net assets	1,673,201	284,198	1,957,399
<b><u>NET ASSETS AT BEGINNING OF YEAR</u></b>	<u>\$ 7,555,824</u>	<u>\$ 1,632,835</u>	<u>\$ 9,188,659</u>
<b><u>NET ASSETS AT END OF THE YEAR</u></b>	<u>\$ 9,229,025</u>	<u>\$ 1,917,033</u>	<u>\$ 11,146,058</u>

The accompanying notes are an integral part of this consolidated financial statement.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.**  
**AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	<u>Program</u>	<u>Support</u>		<u>Total</u>
		<u>Management &amp; General</u>	<u>Fundraising</u>	
Salaries	\$ 5,614,154	\$ 1,405,448	\$ 246,316	\$ 7,265,918
Employee benefits	2,015,689	470,665	78,242	2,564,596
Materials and supplies	633,587	75,755	25,214	734,556
Professional services	823,411	180,996	28,892	1,033,299
Repairs and maintenance services	380,909	126,970	-	507,879
Insurance	362,875	120,958	-	483,833
Admin fees	182,755	60,918	-	243,673
Utilities	214,381	71,460	-	285,841
Communications	48,423	16,141	650	65,214
Textbooks and workbooks	210,725	-	-	210,725
Depreciation	79,278	26,426	-	105,704
Dues and fees	174,099	27,528	24,710	226,337
Building Lease	59,835	19,945	-	79,780
Technology	61,504	184,511	-	246,015
Meal/travel	201,013	2,651	-	203,664
Printing	22,121	6,296	6,308	34,725
Student transportation	74,392	-	-	74,392
Advertising	13,373	4,458	880	18,711
Food services	31,720	1	-	31,721
Other expenses	11,802	344	815	12,961
<b>Total expenses</b>	<b>\$ 11,216,046</b>	<b>\$ 2,801,471</b>	<b>\$ 412,027</b>	<b>\$ 14,429,544</b>

The accompanying notes are an integral part of this consolidated financial statement.



**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.**  
**AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 1,957,399
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	105,704
Contributions restricted to endowment	(25,500)
(Increase) decrease in assets:	
Grants receivable	65,087
Promises to give	31,255
Prepaid expenses	(81,434)
Increase (decrease) in liabilities	
Accounts payable	1,193,738
Accrued expenses	210,870
	<hr/>
Net cash provided by operating activities	<u>3,457,119</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments	(238)
Purchases of investments	(7,250,000)
Purchases of property and equipment	(149,027)
	<hr/>
Net cash used in investing activities	<u>(7,399,265)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Collections of contributions restricted to endowment	25,500
	<hr/>
Net cash provided by financing activities	<u>25,500</u>
Net decrease in cash	(3,916,646)
Cash and cash equivalents, beginning of year	7,665,281
	<hr/>
Cash and cash equivalents, end of year	<u>\$ 3,748,635</u>

The accompanying notes are an integral part of this consolidated financial statement.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

Organization

Advocates for Academic Excellence in Education, Inc., (AAEE, Inc.) which governs Benjamin Franklin High School (the School), was incorporated on October 25, 2005. The School opened in 1957 as a magnet high school under the Orleans Parish School Board (OPSB). In January 2006, the School became a charter school, maintaining its admission requirements under the governance of AAEE, Inc. and OPSB as the Local Education Authority (LEA). On May 10, 2017, the School amended its operating agreement with OPSB so that, effective July 1, 2017, the School began to operate as its own LEA. The School's mission is to prepare students of high academic achievement to be successful in life. The School provides student instruction and activities programs.

Friends of Franklin (Friends), a nonprofit corporation organized on a non-stock basis, was incorporated in December 2018 as a supporting organization for the benefit of AAEE, Inc. and the School.

OPSB approved the granting of a charter to the School effective June 21, 2011, for a period ending on June 30, 2021, to operate a Type 3 charter school, as defined in Louisiana Revised Statute 17:3973(3)(b). On December 8, 2020, the OPSB voted to renew the charter for a period of 10 years, expiring on June 30, 2031.

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

Consolidated Financial Statement Presentation

The accompanying consolidated financial statements include the accounts of AAEE, Inc. and its affiliate, Friends. AAEE, Inc. has controlling financial interest through direct ownership of a majority voting interest in Friends and has an economic interest in Friends. Furthermore, Friends and AAEE, Inc. entered into a memorandum of understanding (MOU) on May 14, 2020, which was superseded by a cooperative endeavor agreement (CEA) on October 15, 2020. The CEA defines the relationship between Friends and AAEE, Inc. Significant intercompany transactions and balances have been eliminated in the consolidation. During the year ended June 30, 2024, Friends' only activity included investments, donations and contributions.

Basis of Accounting and Presentation of Net Assets

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the consolidated financial statements. The consolidated financial statements of the School are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP), whereby revenues are recognized when earned and expenses are recognized when incurred.

The School reports information regarding its consolidated 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. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash balances represent cash available for general operating purposes and amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution. For purposes of the statement of cash flows, the School classifies all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. For the year ended June 30, 2024, the School did not have any cash equivalents.

Investments

Investments in marketable securities are stated at their fair value in the consolidated statement of financial position. Unrealized gains and losses on investments recorded at fair value are included in the consolidated statement of activities and changes in net assets as increases or decreases in net assets with or without donor restrictions, depending on the classification. All short-term, highly liquid investments, excluding cash equivalents, are classified as investments.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the School, that is, in substance, unconditionally. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises are recorded net of an allowance for doubtful pledges estimated by management. As of June 30, 2024, management believes that all promises to give are fully collectible. Promises to give are due within one year.

Property and Equipment

Property and equipment are stated at cost. Repairs and maintenance are charged to expense as incurred. Major additions to physical plant and facilities and betterments with a purchased cost greater than \$5,000 are capitalized. Property and equipment donated to the School are capitalized at the fair market value at the date donated. Depreciation is provided utilizing the straight-line method over estimated useful lives of the assets as follows:

Building and building improvements	10 – 39 years
Machinery and equipment	5 – 20 years
Site improvements	10 – 20 years

Compensated Absences

The School provides compensated absences in the form of Personal Time Off and Family Leave. All ten-month employees are provided ten days of paid leave per year to be used for illness or personal leave. All eleven-month employees receive eleven days of paid leave for illness or personal leave. All twelve-month employees receive ten days of paid leave for illness or personal leave and fifteen vacation days. Family Leave is provided when an employee qualifies for leave under the Family Medical Leave Act. The employee shall be eligible to receive 60% of their regular pay for a period of up to two weeks per the rolling period specified by the School's policy. Personal time off is allocated July 1st of each year and is available through June 30th of the following year. Employees are able to bank five unused days from year to year, up to a maximum of ten days. Any remaining time is reported to the Teachers' Retirement System of Louisiana for service credit calculation purposes at retirement.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

All other employees receive the same provisions for compensated absences as those under the collective bargaining agreement (CBA), with the exception of the executive cabinet members, who receive twenty vacation days. Compensated absences and the related benefits accrued as of June 30, 2024, totaled \$197,338, which are included in accrued expenses on the consolidated statement of financial position.

Revenues, Grants, and Other Support

*State and Local Public School Funding*

The School's primary source of funding is through the State Public School Fund. The School receives funding per eligible student in attendance on October 1st, payable in monthly installments. The October 1st student count is audited by the Louisiana Department of Education. Adjustments are made in the following year.

*Federal and Other State Grants*

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

*Contributions*

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met. Contributions received are recorded as without donor restrictions or with 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 consolidated statement of activities and changes in net assets as net assets released from restrictions.

*In-Kind Donations*

The School records the in-kind value of goods and services contributed to support various activities as support at their estimated fair value on the date of receipt and related expenses when utilized.

*Other Income*

Revenue from other sources, including student activity fees, class fees, course fees, fundraisers, and student meals are recorded and recognized as revenue in the period in which the School provides the service at the amount that reflects the consideration to which the School expects to be entitled for providing the service or good, typically in the period received.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

*Contracts vs. Contributions*

The School follows GAAP in their assessment of whether a revenue is an exchange transaction (contract) or contribution (non-contract) and considers factors including commensurate value received, reciprocity, and donor-imposed conditions. Performance obligations are determined based on the nature of the services provided by the School. Revenue from performance obligations satisfied over time is recognized based on actual time incurred in relation to the total expected period of providing the service, which is deemed to be the school year, which is simultaneous with the fiscal year. The School believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to student activity fees, class fees, and course fees. The School measures the performance obligation throughout the school year. Revenue for performance obligations satisfied at a point in time, which include mainly income from meals and are generally immaterial, are recognized when services are provided. The School determines the transaction price based on standard charges for goods or services provided to students, which are predetermined by management. Fees are generally nonrefundable, and total refunds issued annually are considered negligible.

Functional Expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated statement of functional expenses present 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 payroll expenses that are allocated are allocated based on management's estimate of periodic time and expense evaluations. The allocated non-payroll expenses are allocated based on management's knowledge that roughly 78% of the operations can be attributed to providing an education to the students enrolled. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the School. Expenses allocated during the year ended June 30, 2024 include salaries, employee benefits, payroll tax expense, repairs and maintenance, utilities, advertising, communications, technology, printing, insurance, and depreciation.

Fundraising Expenses

All expenses associated with fundraising activities are expensed as incurred, including those expenses related to fundraising appeals in a subsequent year.

Advertising

Advertising costs, which are included in program expenses, fundraising expenses, and general and administrative expenses, are expensed as incurred.

Reversionary Interest in Funds and Assets

All funds received from the Louisiana Department of Education (LDOE), United States Department of Education (USDOE), or other state or federal agency are funds earned by the School to be used for the purpose for which they were acquired. These agencies, however, have a reversionary interest in these funds, as well as any assets acquired with these funds. Should the charter agreement not be renewed, those funds and assets will transfer to the appropriate agency.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

Income Taxes

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The School 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 consolidated financial statements.

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

Recent Accounting Pronouncements - Adopted

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326). This ASU, implemented as of July 1, 2023, replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This standard did not have a significant impact on the consolidated financial statements of the School for the year ended June 30, 2024.

**2. Liquidity and Availability**

The School's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. The School 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 School has available. In addition, the School operates with 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 statement of financial position date, consist of the following as of June 30, 2024:

Cash	\$	3,748,635
Investments		7,250,238
Grants receivable		633,426
Promises to give		<u>42,455</u>
Total	\$	<u>11,674,754</u>

**3. Property and Equipment**

Property and equipment consist of the following as of June 30, 2024:

Building and building improvements	\$	1,026,186
Machinery and equipment		280,153
Site improvements		<u>677,127</u>
		1,983,466
Less: accumulated depreciation		<u>(707,714)</u>
Property and equipment, net	\$	<u>1,275,752</u>

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**4. Investments**

The following is a summary of investments at June 30, 2024:

Exchange Traded Funds	\$	32,650
Government Securities		7,217,588
	\$	<u>7,250,238</u>

These investments are designed to achieve an optimal balance of upside return potential and downside protection. The investments offer a diversified strategy protecting and preserving the School's capital and equity strategy providing long-term growth.

**5. Fair Value of Financial Instruments**

The School applies FASB ASC Topic 820, Fair Value Measurement, for all financial assets and liabilities that are recognized at fair value in the financial statements on a recurring basis (at least annually). Under ASC Topic 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC Topic 820 establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Level 3: Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The following is a description of the valuation methodologies used for assets measured at fair value.

*Exchange Traded Funds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Government Securities:* The fair value of U.S. Treasury Securities is the market value based on quoted market prices, when available. If listed prices or quoted prices are not available, fair value is based on externally developed models that use observable inputs due to the limited market activity of the obligation.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**5. Fair Value of Financial Instruments (continued)**

The valuation of the School's assets measured at fair value on a recurring basis at June 30, 2024 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Exchange Traded Funds	\$ 32,650	-	-	\$ 32,650
Government Securities	-	7,217,588	-	7,217,588
Total investments	<u>\$ 32,650</u>	<u>\$ 7,217,588</u>	<u>\$ -</u>	<u>\$ 7,250,238</u>

**6. Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted by donors for specific programs, purposes, or to assist specific departments of the School or are subject to the passage of time. These restrictions are considered to expire when payments for restricted purposes are made or by occurrence of the passage of time, unless perpetually restricted. Net assets with donor restrictions as of June 30, 2024, are available for the following purposes:

Restricted for purpose:

Athletics	\$ 376,280
Class reunion gifts	314,037
Scholarship	160,424
After school activities	138,896
Academics	122,062
Building maintenance	57,498
Auditorium	56,847
STEAM building	50,000
Library	17,760
Professional Development	11,169
Other	5,772
Guidance	5,572
Teacher Appreciation	3,227
Disaster relief	210
Promises to give, the proceeds from which have been restricted by donors for:	
Maintenance	42,455
Restricted by time:	
Annual Giving	400
Restricted in perpetuity:	
Perpetual endowment	554,424
Total	<u>\$ 1,917,033</u>



**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**6. Net Assets with Donor Restrictions (continued)**

As discussed in Note 7, perpetually restricted net assets of \$554,424 as of June 30, 2024, relate to an operating endowment to be held in perpetuity. The income from endowment investments is expendable for operations.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended June 30, 2024:

Auditorium	\$	41,944
Academics		33,002
After school activities		31,785
Scholarship		2,711
Professional development		897
Teacher Appreciation		7,523
Promises to give, the proceeds from which have been restricted by donors for:		
Athletics		33,500
After school activities		20,500
IT		14,310
Scholarship		50
Restricted by time:		
Promises to give		5,350
Total	\$	<u>191,571</u>

**7. Endowment Fund**

**The Endowment**

The School's endowment fund (the Endowment) was established primarily for the purpose of maintaining the School and consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The School accounts for donor-restricted funds consistent with the provisions of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the State of Louisiana.

The School's Board of Directors seek to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, the School retains in perpetuity (a) the original value of initial and subsequent gifts donated to the Endowment, and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the School in a manner consistent with the standard of prudence prescribed by UPMIFA.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**7. Endowment Fund (continued)**

In accordance with UPMIFA, the School considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the School and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the School; and
- The investment policies of the School.

Endowment net assets were composed of \$554,424 of donor-restricted funds as of June 30, 2024. Changes in endowment net assets for the year ended June 30, 2024, were as follows:

	<b><u>With Donor Restrictions</u></b>
Net assets, beginning of year	\$ 528,924
Contributions	25,500
Net assets, end of year	<u>\$ 554,424</u>

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or UPMIFA requires the School to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations. There were no such deficiencies as of June 30, 2024.

**Return Objectives and Risk Parameters**

The cumulated endowment of over \$500,000 is invested with the intention of optimizing general market returns with a minimum amount of investment and management expenses. The objectives are to preserve the capital and maintain liquidity, while minimizing risk.

**Strategies Employed for Achieving Objectives**

The endowment funds are invested in an interest-bearing account.

**Spending Policy and How Investment Objectives Relate to the Spending Policy**

Spending of interest earned by the endowment funds will be generally related to the operation of the School.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**8. In-Kind Donations**

During the year ended June 30, 2024, the School received contributions of donated goods and services as follows:

Equipment and supplies	\$	18,394
Furniture		5,688
Musical instruments		654
Gift cards		390
	\$	<u>25,125</u>

All donated assets were utilized by the School's programs and supporting services. There were no donor-imposed restrictions associated with donated assets. All donated assets are valued at their fair market price at the time of donation.

**9. Retirement Plan**

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. 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 to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123. At June 30, 2024, the TRSL was 76.0% funded.

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 twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

For the year ended June 30, 2024, participants were required to contribute 8% of their annual covered payroll to the plan, and the School was required to contribute 24.10% of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement System's Actuarial Committee. For the year ended June 30, 2024, the School's contributions to this plan totaled \$1,638,226.

**10. Union Contracts**

On May 15, 2014, the Board of Directors voted to voluntarily recognize the United Teachers of New Orleans, Local 527, LFT, AFT, AFL-CIO (the Union) as the exclusive bargaining representative for the purpose of negotiating a collective bargaining agreement (CBA) under a voluntary recognition agreement to be negotiated by the board president and subject to board approval. On March 19, 2015, the School's Board and the Union finalized the CBA with an initial three-year term including the June 30, 2015, fiscal year and ending June 30, 2017. On September 29, 2017, the School's Board and the Union entered into an updated CBA expiring on June 30, 2021. On August 18, 2021, the School's Board and the Union entered into an updated CBA expiring on June 30, 2025.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**10. Union Contracts (continued)**

As part of the CBA, the School is required to provide certain compensation and benefits to eligible bargaining unit employees, including:

- A salary that is determined using a salary scale approved by the Union and based on years of relevant experience and level of education;
- Provisions for personal leave days as compensated absences (Note 1);
- Continuing to pay 100% of the premium costs up to \$630 (\$7,560 annual) for medical, dental, and vision coverage; and
- Continuing to provide retirement benefits through TRSL or as provided by applicable law.

**11. School Operations / Leasehold Interest**

Effective January 1, 2006, the School entered into an agreement with the OPSB which allows the School to use the facilities and its contents located at 2001 Leon C. Simon Drive or any other locations as may be approved by the School and the OPSB. On June 21, 2011, the OPSB voted to renew the agreement for a period of ten years through June 30, 2021. On December 8, 2020, the OPSB voted again to renew the agreement for a period of ten years through June 30, 2031.

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. 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 the OPSB at the time this agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

Use of the property is not recorded as an in-kind contribution from the OPSB nor as a related rent expense. The value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

The School entered into a separate lease agreement with the University of New Orleans (UNO), a related party, for additional classroom space. UNO is considered a related party as the president of UNO, or their designee, is a board member for the School. On August 1, 2021, the lease was extended through July 31, 2023. The lease required monthly payments of \$5,984 during the lease period. On August 1, 2022, the lease was amended and extended through July 31, 2024. The lease requires monthly payments of \$6,648 during the lease period. Future minimum lease payments under this lease are as follows:

<b><u>Year Ending June 30,</u></b>	<b><u>Amount</u></b>
2025	\$ 6,648
Total	\$ 6,648

**12. Concentrations of Risk**

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be recovered. The School periodically maintains cash in bank accounts in excess of insured limits. However, the School has a written policy for custodial credit risk requiring collateralization of uninsured cash deposits. The School has not experienced any losses and does not believe that significant credit risk exists as a result of its cash management practices.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**12. Concentrations of Risk (continued)**

The School received a substantial amount of its revenue through grants awarded by the federal, state, and local governments for the year ended June 30, 2024, which totaled \$14,817,868, or 90%, of total revenue.

All students of the School live within Orleans Parish and employees live within the Greater New Orleans area.

**13. Risks, Uncertainties, and Risk Management**

The School is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee/student injuries and illnesses; and natural disasters. 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, 2024.

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

**14. Subsequent Events**

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 17, 2024, and determined that no events occurred that require disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

**SUPPLEMENTARY INFORMATION**

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.**  
**AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**  
**SCHEDULE OF BOARD OF DIRECTORS**  
**YEAR ENDED JUNE 30, 2024**

<b><u>AAEE Board Members</u></b>	<b><u>Compensation</u></b>
Mr. Sean A. Blondell, Secretary	\$ -
Ms. Jill E. Condon, Treasurer	\$ -
Ms. Alea M. Cot, President	\$ -
Ms. Charmaine Cooper Hussain	\$ -
Ms. Shaneika Dabney-Henderson	\$ -
Mr. Timothy Duncan	\$ -
Mrs. Jennifer J. Kottler	\$ -
Mr. Mark G. Rubin	\$ -
Mr. Jonathan L. Levy	\$ -
Ms. Dorothy Malik	\$ -
Dr. Alexis Parent-Ferrouillet	\$ -
Mr. Todd G. Ragusa	\$ -
Mr. Jeffrey Seymour	\$ -
Mr. Mitchell W. Turnbough	\$ -
Ms. Anu Varadharajan	\$ -
<b><u>Friends of Franklin Board Members</u></b>	
Mr. Sean A. Blondell, President, AAEE Trustee	\$ -
Mr. Jonathan L. Levy, Treasurer, AAEE Trustee	\$ -
Ms. Debroah Thurber, Secretary, Independent Trustee	\$ -
Mr. Richard Chen, Independent Trustee	\$ -
Ms. Charmaine Cooper Hussain, AAEE Trustee	\$ -
Ms. Sandra Levy, Independent Trustee	\$ -
Mr. Mitchell W. Turnbough, AAEE Trustee	\$ -

See independent auditors' report.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.**  
**AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**  
**SCDHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**YEAR ENDED JUNE 30, 2024**

**Agency Head:**

Daniel Casey, Interim Head of School (7/1/2023 - 9/15/2023)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 27,897
Benefits - Retirement	-
Benefits - Insurance	-

Donald Jackson, Interim Head of School (9/15/2023 - 3/31/2024)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 25,281
Benefits - Retirement	8,115
Benefits - Insurance	1,495

David Ferris, Interim Head of School (9/15/2023 - 3/31/2024)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 25,281
Benefits - Retirement	-
Benefits - Insurance	1,151

Alexander Jarrell, Head of School (3/18/2024 - 6/30/2024)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 64,167
Benefits - Retirement	21,047
Benefits - Insurance	8,579

See independent auditors' report.



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

To the Board of Directors of Advocates for Academic Excellence in Education, Inc.  
and Affiliate d/b/a Benjamin Franklin High School

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 (*Government Auditing Standards*), the consolidated financial statements of Advocates for Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School (the School) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated 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 17, 2024.

### **Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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 or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's consolidated 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 and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*EisnerAmper LLP*

EISNERAMPER LLP  
Metairie, Louisiana  
December 17, 2024

EISNERAMPER  
LLP



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Directors of Advocates for Academic Excellence in Education, Inc.  
and Affiliate d/b/a Benjamin Franklin High School

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Advocates for Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School's (the School) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2024. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*") ; 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 Auditors' 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 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 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 School's federal programs.

## ***Auditors' 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 School'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 GAAS, *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, they would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment 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 the 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 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 Auditors' 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 to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies 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.

**Purpose of this Report**

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.

*EisnerAmper LLP*

EISNERAMPER LLP  
Metairie, Louisiana  
December 17, 2024

EISNERAMPER  
LLP



**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.**  
**AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Grantor Project Number	Federal Expenditures
<b><u>U.S. Department of Education</u></b>			
Passed through the Louisiana Department of Education			
Title I Grants to Local Education Agencies	84.010A	S010A180018	\$ 258,957
Total Title I			<u>258,957</u>
Title II, Part A, Supporting Effective Instruction State Grants	84.367A	S367A180017	25,493
Total Title II			<u>25,493</u>
Special Education Cluster (IDEA)			
Special Education - Grants to States - IDEA, Part B	84.027A	H027A180033	227,755
Total Special Education Cluster (IDEA)			<u>227,755</u>
Education Stabilization Fund - COVID-19			
Elementary and Secondary School Emergency Relief II Formula	84.425D	S425D210003	86,510
Elementary and Secondary School Emergency Relief III Formula	84.425U	S425U210003	515,309
Elementary and Secondary School Emergency Relief II Incentive	84.425U	S425U210003	16,500
Elementary and Secondary School Emergency Relief III EB Interventions	84.425U	S425U210003	35,181
Covid-19 ESSER Homeless ARP	84.425	S425U210003	8,013
Total Education Stabilization Fund - COVID-19			<u>661,513</u>
Student Support and Academic Enrichment Program			
Stronger Security Grant	84.424	N/A	104,239
Total Student Support and Academic Enrichment Program			<u>104,239</u>
Total Louisiana Department of Education			<u>1,277,957</u>
Total U.S. Department of Education			<u>1,277,957</u>
<b><u>United States Treasury - Federal Communications Commission</u></b>			
Direct award			
Emergency Connectivity Fund	32.009	N/A	137,019
Total United States Treasury - Federal Communications Commission			<u>137,019</u>
Total Federal Assistance Expended			<u>\$ 1,414,976</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.**  
**AND AFFILIATE D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Academic Excellence in Education, Inc. and Affiliate d/b/a Benjamin Franklin High School's (the School) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 1 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

**(2) Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**(3) Relationship to Basic Financial Statements**

Federal awards are included in federal grants revenue in the Statement of Activities and Changes in Net Assets.

**(4) Amounts Passed Through to Subrecipients**

The School did not pass through any federal funding to subrecipients.

**(5) De Minimis Cost Rate**

During the year ended June 30, 2024, the Organization did not include any expenditures related to indirect cost rate calculations and did not elect to use the 10-percent de minimis indirect cost rate as allowed in the Uniform Guidance.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE  
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Section I. Summary of Independent Auditors' Results**

**Consolidated Financial Statements**

- |   |               |
|---|---------------|
| 1. Type of auditors' report issued:                                       | Unmodified    |
| 2. Internal control over financial reporting:                             |               |
| a. Material weakness(es) identified?                                      | None          |
| b. Significant deficiency(ies) identified?                                | None Reported |
| 3. Noncompliance material to the consolidated financial statements noted? | None          |

**Federal Awards**

- |   |               |
|---|---------------|
| 1. Type of auditors' report issued on compliance for major program:                                   | Unmodified    |
| 2. Internal control over major program:   |               |
| c. Material weakness(es) identified?  | None          |
| d. Significant deficiency(ies) identified?  | None Reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | None          |

Identification of major program:

Education Stabilization Fund – COVID-19      84.425, 84.425D, 84.425U

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

Auditee qualified as a low-risk auditee?      Yes

**Section II. Findings Relating to the Consolidated Financial Statements Reported in Accordance with Government Auditing Standards**

None

**Section III. Findings and Questioned Costs Related to Federal Awards**

None



**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC. AND AFFILIATE**  
**D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Section II. Findings Relating to the Consolidated Financial Statements Reported in Accordance with *Government Auditing Standards***

None

**Section III. Findings and Questioned Costs Related to Federal Awards**

None