

**THE EMERGE SCHOOL FOR AUTISM, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

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DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Emerge School for Autism, Inc.
Baton Rouge, LA

Report on the Financial Statements

We have audited the accompanying financial statements of The Emerge School for Autism, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Emerge School for Autism, Inc. as of June 30, 2020 and 2019, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other Payments to the School Leader, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Performance and Statistical Data are not a required part of the basic financial statements but are supplementary information required by Louisiana State Law. 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. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2020, on our consideration of The Emerge School for Autism, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements 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 Emerge School for Autism, Inc.'s internal control over financial reporting and compliance.

Daigrepoint & Brian, APAC

Daigrepoint & Brian, APAC
Baton Rouge, LA

September 21, 2020

THE EMERGE SCHOOL FOR AUTISM, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash	\$ 143,958	\$ 107,746
Accounts receivable	54,005	25,399
Other current assets	4,748	6,268
Total Current Assets	<u>202,711</u>	<u>139,413</u>
Property and Equipment		
Construction in progress	71,049	-
	<u>71,049</u>	<u>-</u>
Accumulated depreciation	-	-
Total Property and Equipment	<u>71,049</u>	<u>-</u>
Total Assets	<u>\$ 273,760</u>	<u>\$ 139,413</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 32,607	\$ 14,609
Accrued expenses	43,157	12,121
Accrued retirement	1,406	6,830
Accrued summer pay	32,604	21,346
Other current liabilities	50	750
Total Current Liabilities	<u>109,824</u>	<u>55,656</u>
Total Liabilities	<u>109,824</u>	<u>55,656</u>
Net Assets		
Net assets without donor restrictions	160,637	33,757
Net assets with donor restrictions	3,299	50,000
Total Net Assets	<u>163,936</u>	<u>83,757</u>
Total Liabilities and Net Assets	<u>\$ 273,760</u>	<u>\$ 139,413</u>

See accompanying notes and independent auditors' report.

THE EMERGE SCHOOL FOR AUTISM, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

REVENUES	Without Donor Restrictions	With Donor Restrictions	Total
Minimum Foundation Program	\$ 468,030	-	\$ 468,030
Federal and state grants	2,607	-	2,607
Private grants and contributions	210,360	24,348	234,708
PPP Loan Forgiveness	76,600	-	76,600
Other Income	630	-	630
Released from donor restriction	71,049	(71,049)	-
Total Revenues	829,276	(46,701)	782,575
EXPENSES			
Program services	616,563	-	616,563
Management and general	85,833	-	85,833
Total Expenses	702,396	-	702,396
CHANGE IN NET ASSETS	126,880	(46,701)	80,179
Net assets - beginning of year	33,757	50,000	83,757
Net assets - end of year	<u>\$ 160,637</u>	<u>\$ 3,299</u>	<u>\$ 163,936</u>

See accompanying notes and independent auditors' report.

THE EMERGE SCHOOL FOR AUTISM, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Minimum Foundation Program	\$ 275,058	-	\$ 275,058
Federal and state grants	2,827	-	2,827
In-kind revenue	9,163	-	9,163
Private grants and contributions	277,303	-	277,303
Other Income	5,864	-	5,864
	<hr/>	<hr/>	<hr/>
Total Revenues	570,215	-	570,215
 EXPENSES			
Program services	430,171	-	430,171
Management and general	76,737	-	76,737
	<hr/>	<hr/>	<hr/>
Total Expenses	506,908	-	506,908
 CHANGE IN NET ASSETS			
	63,307	-	63,307
 Net assets - beginning of year	(29,550)	50,000	20,450
	<hr/>	<hr/>	<hr/>
Net assets - end of year	\$ 33,757	\$ 50,000	\$ 83,757
	<hr/>	<hr/>	<hr/>

See accompanying notes and independent auditors' report.

**THE EMERGE SCHOOL FOR AUTISM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services	Management & General	Total
Curriculum Materials & Software	\$ 34,000	\$ -	\$ 34,000
Employee Benefits	26,511	1,226	27,737
Equipment & Furniture	7,503	1,876	9,379
Insurance	8,923	2,231	11,154
Janitorial	2,906	726	3,632
Miscellaneous	3,778	944	4,722
Payroll Taxes	31,636	1,594	33,230
Professional Development	3,055	-	3,055
Recruiting	2,169	-	2,169
Rent	24,446	6,111	30,557
Salaries & Wages	405,644	15,750	421,394
Supplies	21,840	5,270	27,110
Technical & Professional Services	35,727	50,105	85,832
Transportation	8,425	-	8,425
	<u>\$ 616,563</u>	<u>\$ 85,833</u>	<u>\$ 702,396</u>

See accompanying notes and independent auditors' report.

THE EMERGE SCHOOL FOR AUTISM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management & General	Total
Curriculum Materials & Software	\$ 18,985	\$ -	\$ 18,985
Employee Benefits	24,312	471	24,783
Equipment & Furniture	2,644	661	3,305
Food Service	854	-	854
Insurance	8,474	2,119	10,593
Janitorial	3,716	929	4,645
Miscellaneous	1,539	385	1,924
Payroll Taxes	21,215	1,506	22,721
Postage and Shipping	27	-	27
Professional Development	10,634	-	10,634
Recruiting	1,025	-	1,025
Rent	5,114	1,279	6,393
Repairs & Maintenance	60	15	75
Salaries & Wages	266,021	20,082	286,103
Supplies	10,862	3,130	13,992
Technical & Professional Services	31,985	44,766	76,751
Telephone	1,858	465	2,323
Transportation	17,130	-	17,130
Utilities	3,716	929	4,645
	<u>\$ 430,171</u>	<u>\$ 76,737</u>	<u>\$ 506,908</u>

See accompanying notes and independent auditors' report.

THE EMERGE SCHOOL FOR AUTISM, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 80,179	\$ 63,307
<u>Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:</u>		
Forgiveness of debt	-	(15,000)
(Increase) decrease in accounts receivable	(28,606)	23,736
(Increase) decrease in other current assets	1,520	(6,268)
Increase (decrease) in accounts payable	17,998	(13,814)
Increase in accrued expenses	31,036	12,121
Increase (decrease) in accrued retirement	(5,424)	6,830
Increase in accrued summery pay	11,358	21,346
Decrease in other liabilities	(800)	-
Total adjustments	<u>27,082</u>	<u>28,951</u>
Net cash provided by operating activities	<u>107,261</u>	<u>92,258</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash payments for property & equipment	<u>(71,049)</u>	<u>(24,722)</u>
Net cash used in investing activities	<u>(71,049)</u>	<u>(24,722)</u>
INCREASE IN CASH	36,212	67,536
CASH, BEGINNING OF YEAR	<u>107,746</u>	<u>40,210</u>
CASH, END OF YEAR	<u><u>\$ 143,958</u></u>	<u><u>\$ 107,746</u></u>

See accompanying notes and independent auditors' report.

**THE EMERGE SCHOOL FOR AUTISM, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

1. Summary of Significant Accounting Policies

(a) Organization

The Emerge School for Autism, Inc. (the School) was incorporated on April 22, 2016 as a non-profit corporation under the laws of the State of Louisiana. The School operates under a contract with the Louisiana Board of Elementary and Secondary Education (BESE) as a Type 1 charter school with a contract term from July 1, 2018 through July 1, 2023, and may be extended for a maximum term of five years, contingent upon the results of the School's operations and compliance with regulatory and contractual requirements after the completion of the fourth year of operation.

The School opened for students beginning with the 2018-2019 school year. The School is a tuition free charter school that specializes in educating students with Autism Spectrum Disorder in kindergarten.

(b) Basis of presentation

The financial statements of the School have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the School to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met, either by actions of the organization, and/or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

(c) Cash and cash equivalents

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. During the year, cash may consist of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution.

(d) Accounts receivable

Accounts receivable represent amounts due under federal and state grant programs as well as contributions. The grant programs are reimbursable in nature and revenue is recognized as a receivable once the expenditures are incurred. Contributions are recognized at estimated fair value when the donor makes a pledge to give when it is an unconditional promise. The School does not recognize a conditional promise to give until the conditions upon which the promise depends are substantially met.

THE EMERGE SCHOOL FOR AUTISM, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

1. Summary of Significant Accounting Policies (continued)

(e) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(f) Functional expenses

The School allocates its expenses on a functional basis between program service or general and administrative. Expenses that can be identified with the school curriculum are allocated directly according to their natural expense classification. Other expenses are allocated between program service and general and administrative based on management's estimate of time, percentage, or square footage used, among other factors.

(g) Income tax status

The School accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The School files information returns in the U.S. federal jurisdiction. The School is not subject to U.S. federal income tax examinations by tax authorities beyond three years from the filing of those returns.

(h) Property and equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the least term. The useful lives range from three to forty years. The School's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred.

All assets acquired with public funds are the property of the School for the duration of the charter. If the charter is revoked or surrendered, or the School otherwise ceases to operate, all assets purchased with public funds will automatically revert to full ownership by BESE or the appropriate agency.

(i) Revenues

The School receives the majority of its revenue from the Minimum Foundation Program (MFP). The amount of the MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes. The allocation calculation is primarily based on the student enrollment at the School and is recognized monthly when received.

Federal and state funds are passed through the Louisiana Department of Education. The School's federal grant funding is on a cost reimbursement basis and is recognized as earned once the expenditures have been incurred.

**THE EMERGE SCHOOL FOR AUTISM, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

1. Summary of Significant Accounting Policies (continued)

(i) Revenues (continued)

The School received additional federal funding in the form of forgivable SBA loan for the purpose of maintaining the School's staffing during the Covid-19 Pandemic of 2020. This funding was issued as a loan with stipulations that the loan would be forgivable up to the full amount of the loan if the funds were used for particular expenditures. As of June 30, 2020, the School feels that it has substantially met the conditions and, as such, has recognized the loan amount as revenue.

The School receives private funding in the form of contributions from various individuals and entities. Contributions are recognized when an unconditional promise to give is received. Conditional promises to give, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

(j) Recently Issued Accounting Standards

Effective July 1, 2019, the School adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU and all subsequently issued clarifying ASUs replaced most revenue recognition guidance in U.S. GAAP and addresses how an entity should recognize revenue derived from various contracts with customers that generate revenue, along with requiring additional disclosures related to the nature, amount, and timing of revenue and cash flows arising from contracts with customers. Primarily, the update requires the organization to evaluate the various performance obligations related to its contracts with customers, allocate the transaction price to the various performance obligations, and recognize revenue as performance obligations are satisfied. The standard was adopted using the modified retrospective method.

Effective July 1, 2019, the School adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves the guidance for contributions received and contributions made, and provides guidance to organizations on how to account for transactions as contributions or exchange transactions. In addition, it clarifies whether a contribution is conditional.

The adoption of these standards did not result in any changes to beginning net assets at July 1, 2019. Based on the School's evaluation process and review of its grant contracts and contribution award documentation, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standards.

**THE EMERGE SCHOOL FOR AUTISM, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

2. Concentrations

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. As of June 30, 2020 there were no cash balances in excess of FDIC insured limits.

The School receives the majority of its operating revenue from the State of Louisiana in the form of Minimum Foundation program funding. The School also receives grants from federal agencies, state agencies, and private foundations. The percentage of revenue and receivables from these sources in excess of 10% is as follows:

	Revenue	Receivables
2020		
Minimum Foundation Program	60%	100%
Contributions	30%	N/A
2019		
Minimum Foundation Program	48%	89%
Federal Grants	N/A	11%
Contributions	49%	N/A

3. Leases

In July of 2019, the School entered into an agreement with the East Baton Rouge Parish School Board to provide a location for classes at Polk Elementary School in Baton Rouge while there is construction ongoing at The Emerge Center during the fiscal year. The term of the lease was for 11 months beginning July 2019 at a cost of \$2,500 per month. The School will then enter into another shared service agreement with the Baton Rouge Speech and Hearing Foundation (BRSF) for the 2020-2021 school year. The school also had a copier rental with varying monthly fees. The total rental expense for the years ended June 30, 2020 & 2019 were \$30,557 and \$6,393 respectively.

4. Compensated Absences

Employees earn vacation and sick pay based on various factors such as length of service and job title. Any unused vacation is paid out at the end of the year and does not carry over to the following year. Therefore, there are no compensated absences accrued at June 30, 2020 & 2019.

5. Retirement Plan

The School offers a 401(k) retirement plan for eligible employees. Eligibility to participate in the plan is based on the employee's age, length of service, and various other factors.

For the years ended June 30, 2020 & 2019, the amount paid related to the School's retirement plan were \$6,674 and \$6,621 respectively.

**THE EMERGE SCHOOL FOR AUTISM, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

6. Commitments and Contingencies

The School receives grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the School's management that its compliance with the terms of the grants will not result in any disallowed costs.

7. Net Assets with Donor Restrictions

For the fiscal year ended June 30, 2018, the school received a grant for \$50,000 from the Lamar Foundation with the restriction that the funds be used for Equipment and Furniture & Fixtures. During the year ended June 30, 2019 there were no purchases of fixed assets. In the fiscal year June 30, 2020 the school received various contributions with restrictions that the funds be used for Equipment and Furniture & Fixtures. During the year there were \$71,049 purchases of fixed assets leaving Net Assets with Donor Restrictions of \$3,299 and \$50,000 as of June 30, 2020 & 2019, respectively.

8. Liquidity and Availability of Financial Assets

The following reflects the School's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of a contractual or donor imposed restriction within one year of the statement of financial position date.

Financial Assets at Year End	<u>2020</u>	<u>2019</u>
Cash	143,958	107,746
Accounts receivable	54,005	25,399
Available Line of Credit	<u>100,000</u>	<u>100,000</u>
	297,963	233,145
Unavailable for General Expenditures		
Net Assets with donor restrictions	<u>3,299</u>	<u>50,000</u>
Financial Assets Available For General Expenditures	<u><u>294,664</u></u>	<u><u>183,145</u></u>

As part of the School's liquidity management, cash is kept in a checking account that can be accessed to meet daily needs of the organization in addition to the available line of credit.

9. Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through September 21, 2020, which is the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

**THE EMERGE SCHOOL FOR AUTISM, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

9. Subsequent Events (continued)

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the responses to curb its spread, the School is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

10. Line of Credit

The School has an available line of credit of \$100,000 with Iberia Bank. Interest on the line of credit is the Prime Rate, which was 3.25% as of June 30, 2020. There were no outstanding balances due as of June 30, 2020 and 2019, respectively.

**THE EMERGE SCHOOL FOR AUTISM, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE SCHOOL LEADER
FOR THE YEAR ENDED JUNE 30, 2020**

School Leader	L. Bozard
Salary	\$ 83,050
Benefits - retirement	3,208
Reimbursements	131
	<u>\$ 86,389</u>

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

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

Board of Directors
The Emerge School for Autism, Inc.
Baton Rouge, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Emerge School for Autism, Inc. (a non-profit organization) which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Emerge School for Autism, Inc.'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 Emerge School for Autism, Inc.'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Emerge School for Autism, Inc.'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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Daigrepoint & Brian, APAC

Daigrepoint & Brian, APAC
Baton Rouge, LA

September 21, 2020

**THE EMERGE SCHOOL FOR AUTISM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

We have audited the financial statements of The Emerge School For Autism, Inc. (a non-profit organization), as of June 30, 2020 for the year ended, and have issued our report thereon dated September 21, 2020. 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.

Summary of Auditors' Reports

Financial Statements

Type of auditors' report issued:	Unmodified
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Findings - Financial Statement Audit

There are no findings for the year ended June 30, 2020

Questioned Costs

There are no questioned costs for the year ended June 30, 2020

**THE EMERGE SCHOOL FOR AUTISM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Summary of Prior Audit Findings

There were no prior year audit findings

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
The Emerge School for Autism, Inc.
Baton Rouge, LA

We have performed the procedures enumerated below, which were agreed to by the management of The Emerge School for Autism, Inc. and the Legislative Auditor, State of Louisiana, on the performance and statistical data accompanying the annual financial statements of The Emerge School for Autism, Inc. 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 in compliance with Louisiana Revised Statute 24:514.1. Management of The Emerge School for Autism, Inc. is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

Procedure #1

We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts on the Schedule:

- Total General Fund Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

Results of Procedure #1

In performing the testing on the sample of expenditures/revenues we noted no transactions that were inappropriately classified or that were recorded at an inappropriate amount.

Class Size Characteristics (Schedule 2)

Procedure #2

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

Results of Procedure #2

No discrepancies were noted between the classes reported on the Schedule and those in the roll books.

Education Levels/Experience of Public School Staff (No Schedule)

Procedure #3

We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. 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.

Results of Procedure #3

No differences were noted between the PEP data information provided and the information in the personnel files.

Public School Staff Data: Average Salaries (No Schedule)

Procedure #4

We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalents, and obtained management's representation that the data/list was complete. We then selected 25 individuals, traced to each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Results of Procedure #4

No differences were noted between the salary information reported on the PEP data report provided by management and the supporting records.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were 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.

This 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 Emerge School for Autism, Inc., 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 Legislative Auditor as a public document.

Daigrepoint & Brian, APAC

Daigrepoint & Brian
Baton Rouge, LA

September 21, 2020

THE EMERGE SCHOOL FOR AUTISM, INC.
BATON ROUGE, LA

Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)
As of and for the Year Ended June 30, 2020

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

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

Schedule 2 – Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

The Emerge School for Autism, Inc.
Baton Rouge, LA

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2020**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 280,356	
Other Instructional Staff Activities	305	
Instructional Staff Employee Benefits	-	
Purchased Professional and Technical Services	45,162	
Instructional Materials and Supplies	-	
Instructional Equipment	15,758	
Total Teacher and Student Interaction Activities	<u> </u>	\$ 341,581
Other Instructional Activities		-
Pupil Support Activities	19,734	
Less: Equipment for Pupil Support Activities	<u> </u>	
Net Pupil Support Activities		19,734
Instructional Staff Services	11,248	
Less: Equipment for Instructional Staff Services	<u> </u>	
Net Instructional Staff Services		<u>11,248</u>
School Administration	119,934	
Less: Equipment for School Administration	<u> </u>	
Net School Administration		<u>119,934</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u><u>\$ 492,497</u></u>

See accompanying independent accountant's report on applying agreed-upon procedures

**The Emerge School for Autism, Inc.
Baton Rouge, LA**

**Class Size Characteristics
As of October 1, 2019**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	100%	4						
Elementary Activity Classes								
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 accompanying independent accountant's report on applying agreed-upon procedures