

**AVOYELLES PUBLIC
CHARTER SCHOOL, INC.**

Mansura, Louisiana

**Financial Report
Year Ended June 30, 2020**

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KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT

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* A Professional Accounting Corporation

The Board of Directors
Avoyelles Public Charter School, Inc.
Mansura, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Avoyelles Public Charter School, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as 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 Avoyelles Public Charter School, Inc. as of June 30, 2020, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules on pages 18 through 19 are presented for purposes of additional analysis and are not a required part of the financial statements. This information has not been subjected to the auditing procedures applied in the audit of the 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 16, 2020, on our consideration of Avoyelles Public Charter School, Inc.'s internal control over financial reporting and 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 Avoyelles Public Charter School, Inc.'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 Avoyelles Public Charter School, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 16, 2020

FINANCIAL STATEMENTS

AVOYELLES PUBLIC CHARTER SCHOOL
Mansura, Louisiana
Statement of Financial Position
June 30, 2020

ASSETS

Current assets:	
Cash and cash equivalents	\$ 3,319,213
Interest-bearing deposits	2,129,573
Accrued interest receivable	9,655
Due from the State of LA	6,011
Grants receivable	<u>388,925</u>
Total current assets	<u>5,853,377</u>
Restricted assets:	
Cash and cash equivalents	<u>31,918</u>
Fixed assets:	
Fixed assets	16,415,613
Less: accumulated depreciation	<u>(6,232,848)</u>
Total fixed assets, net	<u>10,182,765</u>
Total assets	<u>\$ 16,068,060</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 54,161
Accrued expenses	409,172
Due to others	31,918
Notes payable - current portion	<u>516,009</u>
Total current liabilities	1,011,260
Long term liabilities:	
Notes payable	<u>3,209,424</u>
Total liabilities	4,220,684
Net assets:	
Without donor restrictions	<u>11,847,376</u>
Total liabilities and net assets	<u>\$ 16,068,060</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL
Mansura, Louisiana

Statement of Activities
For the Year Ended June 30, 2020

Changes in net assets without donor restrictions	
Revenues, gains and other support:	
State MFP revenue	\$ 5,673,735
Federal and state grants	609,905
Student fees	96,400
Donations	1,100
Miscellaneous revenue	265,999
Interest income	<u>31,346</u>
Total	<u>6,678,485</u>
Expenses and losses:	
Program services	5,248,553
Supporting services -	
Administrative expenses	742,924
Fundraising expenses	<u>68,279</u>
Total	<u>6,059,756</u>
Change in net assets without donor restrictions	618,729
Net assets, beginning of year	<u>11,228,647</u>
Net assets, end of year	<u>\$ 11,847,376</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL
Mansura, Louisiana

Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services	Support Services		Total
		Administrative Expenses	Fundraising Expenses	
Expenses:				
Salaries	\$ 2,498,677	\$ 385,102	\$ -	\$ 2,883,779
Payroll taxes	34,342	3,630	-	37,972
Employee group insurance	490,549	23,015	-	513,564
Retirement fund contribution	640,737	94,473	-	735,210
Other employee benefits	16,571	-	-	16,571
Retirees' group benefits	45,403	-	-	45,403
Transportation	150,733	-	-	150,733
Advertising	-	1,448	-	1,448
Depreciation expense	393,147	-	-	393,147
Dues and fees	4,440	17,344	-	21,784
Insurance	150,401	7,198	-	157,599
Repairs and maintenance	144,153	-	-	144,153
Audit / accounting services	-	88,936	-	88,936
Other professional services	45,147	12,152	-	57,299
Miscellaneous expense	31,987	4,012	68,279	104,278
Bank charges and fees	-	370	-	370
Purchased educational services	11,920	-	-	11,920
Materials and supplies	79,050	95,826	-	174,876
Books and periodicals	29,342	-	-	29,342
Telephone and postage	35,988	9,418	-	45,406
Instructional Equipment	80,305	-	-	80,305
Utilities	119,013	-	-	119,013
Food service management	107,883	-	-	107,883
Interest expense	138,765	-	-	138,765
Totals	<u>\$ 5,248,553</u>	<u>\$ 742,924</u>	<u>\$ 68,279</u>	<u>\$ 6,059,756</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL
Mansura, Louisiana

Statement of Cash Flows
For the Year Ended June 30, 2020

Cash flows from operating activities:	
Change in net assets without donor restrictions	\$ 618,729
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities -	
Depreciation	393,147
Decrease (increase) in operating assets	
Accrued interest receivable	1,594
Grants receivable	45,343
(Decrease) increase in operating liabilities	
Accounts payable	(110,585)
Accrued expenses	(2,360)
Due to others	(465)
Net cash provided by operating activities	<u>945,403</u>
Cash flows from investing activities:	
Purchases of buildings and equipment	(129,190)
Purchases of interest-bearing deposits	<u>(26,786)</u>
Net cash used by investing activities	<u>(155,976)</u>
Cash flows from financing activities:	
Payments on notes payable	<u>(1,521,235)</u>
Net change in cash	<u>(731,808)</u>
Cash and cash equivalents, beginning of year	
Unrestricted	4,050,556
Restricted	<u>32,383</u>
	<u>4,082,939</u>
Cash and cash equivalents, end of year:	
Unrestricted	3,319,213
Restricted	<u>31,918</u>
	<u>\$ 3,351,131</u>
Supplemental disclosure:	
Interest paid	<u>\$ 138,765</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PUBLIC CHARTERS SCHOOL, INC.

Notes to Financial Statements

(1) Nature of Activities and Significant Accounting Policies

A. Nature of Organization and Operations

The Avoyelles Public Charter School, Inc. (the School) was granted a charter by the State Board of Elementary and Secondary Education in 1999 to provide a stimulating environment to academically challenged elementary school children. The School incorporates firm policies of discipline with parental and community involvement so that students will master essential academic and life skills. The School is a Type 2 Charter School governed by a board of directors.

B. Income Taxes

The School is a non-profit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and is an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the School and recognize a tax liability (or asset) if the School has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the School and has concluded that as of June 30, 2020 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The School is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

C. Financial Statement Presentation

The School reports information regarding its financial position and activities according to two classes of net assets: Net Assets without Donor Restrictions and Net Assets with Donor Restrictions.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Public Support and Revenue

The School receives its grant support primarily from the Louisiana State Department of Education Minimum Foundation program. Approximately 85% of the School's funding is from this program. Other public support is received from the U.S. Department of Education.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated labor is

AVOYELLES PUBLIC CHARTERS SCHOOL, INC.

Notes to Financial Statements

valued at the minimum wage rate in effect at the time of the donated services. Donated professional time is valued at the current market rate of the specific project. Donated materials are valued at current market value at the time of donation. There were no donated services that met the criteria for recognition.

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the donor-imposed time or purpose restriction. Contributions with donor restrictions, for which the restriction is met in the same year, are classified as net assets without donor restrictions.

E. Net Assets

The net assets of the School and changes therein are classified and reported as follows:

Net Assets with Donor Restrictions – Net Assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature. These restrictions will be satisfied by actions of the School or by the passage of time.

Net Assets without Donor Restrictions – Net Assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. These net assets may be used at the discretion of the School’s management and board of directors.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Fixed Assets

Fixed assets are recorded at historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. It is the School’s policy to capitalize fixed assets valued at \$1,000 or more. Fixed assets are being depreciated over their estimated useful lives using the straight-line method. The range of estimated useful lives is as follows:

AVOYELLES PUBLIC CHARTERS SCHOOL, INC.

Notes to Financial Statements

Buildings and improvements	40 years
Furniture and fixtures	5-7 years
Machinery and equipment	5-10 years

H. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the School considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

I. Compensated Absences

Teachers and staff are allowed a maximum of ten cumulative sick and/or personal days per year. These days will not carry over to the next year, but may, at the discretion of the board, be used for extended sick leave if an employee has a medical event that necessitates longer than ten days of recovery, and permission is granted by the board of directors of the School. At the time of retirement, death or termination, no monies will be owed or paid to an employee for accumulated sick days. If an employee leaves the school to continue in another public-school system, the accumulated days on record will not be transferred to that system upon resignation from the School. Therefore, no liability existed at June 30, 2020.

J. Functional Allocation of Expenses

The costs of providing various program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

K. Revenue Recognition

Program reimbursements and grants are recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

(2) Cash and Interest-Bearing Deposits

At June 30, 2020, the School had cash and interest-bearing deposits (book balances) totaling \$5,480,704. These deposits are stated at cost, which approximates market. Deposit balances (bank balances) at June 30, 2020 totaled \$5,509,694. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. Total uninsured cash balances at June 30, 2020 were \$4,759,694 and therefore were exposed to custodial credit risk; however these deposits were collateralized with securities held by the pledging bank and not in the School's name with the exception of one financial institution in which \$18,933 was uninsured.

AVOYELLES PUBLIC CHARTERS SCHOOL, INC.

Notes to Financial Statements

(3) Grants Receivable

Grants receivable were considered to be fully collectible by management. Accordingly, no allowance for doubtful accounts was required. Grants receivable consisted of the following at June 30, 2020:

United States Department of Education:	
IDEA Part B	\$ 116,544
Title I	247,991
Title V	14,211
Other	<u>10,179</u>
	<u>\$ 388,925</u>

(4) Fixed Assets

A summary of fixed assets is as follows:

Land	\$ 1,571,789
Buildings and improvements	13,221,378
Furniture and fixtures	289,958
Machinery and equipment	1,332,488
Accumulated depreciation	<u>(6,232,848)</u>
Fixed assets, net	<u>\$ 10,182,765</u>

Depreciation expense for the year ended June 30, 2020 was \$393,147.

(5) Notes Payable

Notes payable consisted of the following:

\$7,502,000 promissory note payable to USDA-Rural Development dated August 30, 2005, due in monthly installments of \$32,334, including interest at 4.125%. The term of the note is 40 years, and is secured by operating revenues, real estate and personal property of the School.	\$3,725,433
Less: Current maturities	<u>(516,009)</u>
Note Payable	<u>\$ 3,209,424</u>

AVOYELLES PUBLIC CHARTERS SCHOOL, INC.

Notes to Financial Statements

The annual debt service requirements are as follows:

Year Ending June 30,	Principal payments
2021	\$ 516,009
2022	537,702
2023	560,306
2024	583,861
2025	608,405
2026 and thereafter	919,150
	\$ 3,725,433

(6) Operating Leases

The School had several short term non-cancelable operating leases, primarily for copy machines, that expire at various dates through 2020. Those leases generally contain automatic renewal options for twelve-month periods. The School leases several school buses. One operating lease was entered into on July 2016 for five years terminating on July 1, 2021. Payments of \$17,300 during fiscal year ending June 30, 2020 were recognized as lease expense. The minimum future rental payments under this operating lease having a remaining term in excess of one year as of June 30, 2020 for the remainder of the lease is as follows:

Year Ended	Amount
2021	\$ 17,300

(7) Board Designated Net Assets

It is the policy of the Board of Directors to review its plans for future property improvements and acquisitions from time to time and to designate appropriate sums of net assets to assure adequate financing of such improvements and acquisitions. Net assets have also been designated to fund the future liability associated with retiree health insurance benefits as well as debt service reserve requirements. At June 30, 2020, net assets designated by the Board of Directors amounted to \$4,488,680.

(8) School Activity Deposits Due to Others

The School acted as custodian for several student activity bank accounts. Funds held on behalf of these groups amounted to \$31,918 at June 30, 2020, and were reported as both an asset and a liability. Consequently, there was no effect on the School's net assets.

AVOYELLES PUBLIC CHARTERS SCHOOL, INC.

Notes to Financial Statements

(9) Postemployment Benefits

Substantially all employees of the Avoyelles Public Charter School, Inc. are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel, are members of the Louisiana School Employees' Retirement System. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. The risks of participating in these multiemployer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Organization chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan. The School has no plans to withdraw from its multiemployer pension plans. As of the most recent period available, neither plan was in a funding improvement or rehabilitation program and the School was not required to pay any amounts to the plan beyond its annual required contributions. Plan contribution amounts are computed annually by the plan's actuary and approved by the plan's board of directors. Accruals have not been made for postemployment benefits solely because the amounts due are not reasonably estimated as of June 30, 2020. Pertinent information relative to each plan is as follow:

A. Teachers' Retirement System of Louisiana (TRSL)

Plan Description. The TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. Due to the nature of the Plan, the employer identification number and plan number is not available. Information about the plans funded status as of June 30, 2020 is not available and cannot be obtained without undue cost and effort. As a public retirement system in the State of Louisiana the plan produces a report containing funding information for a period 365 days prior to the Schools balance sheet date. That report indicated that the plan's liabilities were \$31,574,146,857 which exceeded the plan's net position of \$21,649,496,961 resulting in the plan being 68.6% funded. The TRSL issues a publicly available financial report and includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School is required to contribute an actuarially determined rate. The current rate is 26 percent, 26 percent, and 26 percent of annual covered payroll for Regular Plan, Plan A, and Plan B, respectively. Member contributions and employer's contributions for the TRSL are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The Avoyelles Public Charter School Inc.'s employer contribution for the TRSL, as provided by state law, is funded by the State of Louisiana through annual appropriations and by remittances from the School.

AVOYELLES PUBLIC CHARTERS SCHOOL, INC.

Notes to Financial Statements

The Avoyelles Public Charter School, Inc.'s contributions to the TRSL for the year ending June 30, 2020 was \$693,324 equal to the required contributions for the year. This contribution did not exceed 5% of the total plan contributions as of the plans most recent report dated June 30, 2019. No significant changes have occurred related to the Schools contributions other than the annual adjustment of the contribution rate.

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statutes. Due to the nature of the Plan, the employer identification number and plan number is not available. Information about the plans funded status as of June 30, 2020 is not available and cannot be obtained without undue cost and effort. As a public retirement system in the State of Louisiana the plan produces a report containing funding information for a period 365 days prior to the Schools balance sheet date. That report indicated that the plan's liabilities were \$2,640,451,339 which exceeded the plan's net position of \$1,940,389,574 resulting in the plan being 73.50% funded. LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute 7.5 percent of their annual covered salary for members hired before July 1, 2010 and 8.0 percent for new hires enrolled on or after July 1, 2010, and the employer is required to contribute at an actuarially determined rate. The current rate is 28.00 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law, and rates are established by the Public Retirement Systems' Actuarial Committee. The Avoyelles Public Charter School, Inc.'s employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The Avoyelles Public Charter School Inc.'s contributions to the LSERS for the year ending June 30, 2020 was \$41,886, equal to the required contributions for the year. This contribution did not exceed 5% of the total plan contributions as of the plans most recent report dated June 30, 2019. No significant changes have occurred related to the Schools contributions other than the annual adjustment of the contribution rate.

AVOYELLES PUBLIC CHARTERS SCHOOL, INC.

Notes to Financial Statements

(10) Schedule of Compensation, Benefits and Other Payments to Director

A detail of compensation, benefits, and other payments made to the Director, Julie Roy for the year ended June 30, 2020 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 103,878
Benefits - medicare	1,463
Benefits - insurance	7,175
Benefits - retirement	<u>27,066</u>
	<u>\$ 139,582</u>

(11) Related Party Transactions

Avoyelles Public Charter School, Inc. had deposits in the Cottonport Bank in the amount of \$5,106,437 (bank balance) at June 30, 2020. A board member of the Avoyelles Public Charter School, Inc. is the President and C.E.O. of the Cottonport Bank. During the year \$92,484 was paid for insurance coverage to the Cottonport Insurance Agency, which is a subsidiary of the Cottonport Bank.

(12) Advertising

Advertising costs were expensed as incurred. Total advertising expense for the year ended June 30, 2020 was \$1,448.

(13) Contingencies

Financial awards from federal, state, and local governmental entities in the form of grants are subject to audit and review by the entities providing the funding. Such audits and reviews could result in expenses being disallowed under the terms and conditions of the grants. Management is not aware of any disallowances related to grants as of June 30, 2020. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

The Avoyelles Public Charter School, Inc. provides medical benefits to its current and retired employee's through the Louisiana Office of Group Benefits (OGB). The plan provisions are contained in the official plan documents of the OGB, which is available at www.groupbenefits.org. The OGB plan is fully insured and is considered a multiple-employer plan for financial reporting purposes. The School has no plans to withdraw from the OGB plan. As of the most recent period available, the plan was not in a funding improvement or rehabilitation program and the School was not required to pay any amounts to the plan beyond its normal payments related to its employee's premiums. The School has made all contributions required by the plan.

AVOYELLES PUBLIC CHARTERS SCHOOL, INC.

Notes to Financial Statements

(14) Liquidity and Availability of Resources

The School's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$ 3,319,213
Interest-bearing deposits	2,129,573
Accrued interest receivable	9,655
Due from the State of LA	6,011
Grant receivable	<u>388,925</u>
Total current assets	<u>\$ 5,853,377</u>

As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Although the School does not intend to spend from its Board Designated net assets (Note 7) other than amounts appropriated for general expenditures as part of its annual appropriation process, amounts from its Board Designated net assets could be made available if necessary.

(15) Subsequent Event Review

On July 1, 2020, the School entered into a lease agreement for four busses with Ross Bus & Equipment Sales, Inc. Payments of \$67,200 will be made annually for three years terminating June 30, 2023.

(16) Litigation

There was no litigation pending against the Avoyelles Public Charter School, Inc. as of June 30, 2020.

(17) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Organization is evaluating the potential impact of the amendments on its' financial statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-9, Revenue from Contracts with Customers (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede substantially all existing revenue recognition guidance. The new standard will be effective for annual periods beginning after June 30, 2020 and is not expected to have a significant impact on the Avoyelles Public Charter School, Inc.'s financial statements.

SUPPLEMENTAL SCHEDULES

AVOYELLES PUBLIC CHARTER SCHOOL, INC.

Schedule of Board Members
For the Year Ended June 30, 2020

	<u>Term Expiration</u>
Jeanette H. Dugas President 201 Longfellow Road Mansura, LA 71350 (318) 240-8285	6/30/2023
Elizabeth Reed Vice-President 201 Longfellow Road Mansura, LA 71350 (318) 240-8285	6/30/2021
Becky Descant Treasurer 201 Longfellow Road Mansura, LA 71350 (318) 240-8285	6/30/2021
A.J. Roy III 201 Longfellow Road Mansura, LA 71350 (318) 240-8285	6/30/2023
Glenn Goudeau 201 Longfellow Road Mansura, LA 71350 (318) 240-8285	6/30/2023
Charles B. Jones 201 Longfellow Road Mansura, LA 71350 (318) 240-8285	6/30/2021

AVOYELLES PUBLIC CHARTER SCHOOL, INC.

Schedule of Insurance In Force
For the Year Ended June 30, 2020

<u>Description of Coverage</u>	<u>Asset Covered</u>	<u>Coverage Amount</u>	<u>Insurance Company</u>	<u>Policy Number</u>	<u>Expiration Date</u>
Student Accident Insurance	Student Accident Insurance	\$1,000,000 Catoastrophic Accident \$25,000 Voluntary Accident \$25,000 Base Student Accident	Mutual of Omaha Ins. Co.	SR2014-C-LA-P-053847	8/1/20
General Liability Policy	\$5M Commercial Umbrella	\$2,000,000 aggregate \$1,000,000 each occurrence	Cottonport Ins. Agency Western Heritage Ins. Co.	NPP8674758	8/20/20
Excess Liability Policy	Liability and Auto Liability Coverage's	\$5,000,000	Cottonport Ins. Agency American Alternative Ins. Co.	60A2UB0003858-01	8/20/20
Auto Policy	Business Automobiles	\$1,000,000 liability \$100,000 uninsured	Cottonport Ins. Agency Houston Specialty Ins. Co.	HSLR18-04353-02	12/4/20
Property Policy	Buildings and Contents	\$15,716,789	Cottonport Ins. Agency EMC Insurance	#2P9-46-94-21	8/18/20
Worker's Compensation	Employees	\$1,000,000	Cottonport Ins. Agency Stonetrust Insurance Co.	WCV0073354-19	10/16/20
Employee Dishonesty Bond	Employees	\$100,000 per claim	Cottonport Ins. Agency CNA Surety Company	68995280	4/18/21

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

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

The Board of Directors
Avoyelles Public Charter School, Inc.
Mansura, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Avoyelles Public Charter School, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Avoyelles Public Charter School, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Avoyelles Public Charter School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Avoyelles Public Charter School, Inc.'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 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 Avoyelles Public Charter School, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 16, 2020

AVOYELLES PUBLIC CHARTER SCHOOL
Mansura, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2020

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

There are no internal control findings to be reported.

B. Compliance

There are no compliance findings to be reported.

Part II. Prior Year Findings:

A. Internal Control Over Financial Reporting

There were no internal control findings reported.

B. Compliance

There were no compliance findings reported.

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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors of the Avoyelles Public Charter School, Inc.
Louisiana Department of Education
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Avoyelles Public Charter School, Inc.; the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of Avoyelles Public Charter School, 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 (BESE) Bulletin, in compliance with the Louisiana Revised Statute 24:514. Management of the Avoyelles Public Charter School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions and reviewed supporting documentation and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

- Total General Fund Instructional 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, and
- Nonpublic Transportation Revenue.

There were no exceptions noted.

Class Size Characteristics (Schedule 2)

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

There were no exceptions noted.

Education Levels of Public School Staff (NO SCHEDULE)

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 expertise, 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 prepared by management.

There were no exceptions noted.

Public Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the 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 salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

There were no exceptions noted.

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.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Avoyelles Public Charter School, 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 Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 16, 2020

AVOYELLES PUBLIC CHARTER SCHOOL
Mansura, Louisiana

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 (Formerly Schedule 6) - 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.

AVOYELLES PUBLIC CHARTER SCHOOL
Mansura, Louisiana
Schedule 1

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

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities -

Classroom Teacher Salaries	\$ 1,946,892	
Other Instructional Staff Activities	60,390	
Instructional Staff Employee Benefits	1,022,599	
Purchased Professional and Technical Services	46,612	
Instructional Materials and Supplies	123,194	
Instructional Equipment	80,253	
Total Teacher and Student Interaction Activities		\$3,279,940

Other Instructional Activities:

Pupil Support Services	6,893	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		6,893
Instructional Staff Services	74,938	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		74,938
School Administration	338,493	
Less: Equipment for School Administration	-	
Net School Administration		338,493

Total General Fund Instructional Expenditures (Total of Column B) \$3,943,277

Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000) \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	-
Total Local Taxation Revenue	\$ -

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property \$ -

State revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

AVOYELLES PUBLIC CHARTER SCHOOL

Mansura, Louisiana

Schedule 2

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	0%	-	0%	-	0%	-	0%	-
Elementary Activity Classes	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
Combination	50%	113	15%	35	33%	78	2%	5
Combination Activity Classes	56%	27	10%	5	34%	16	0%	-

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.