

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA**

Annual Financial Statements

June 30, 2021



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Independent Auditor's Report

To the Board of Directors
Delhi Charter School
Delhi, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Delhi Charter School (the School), which comprise the statement of financial position as of June 30, 2021, 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 Delhi Charter School as of June 30, 2021, 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 schedule of board of directors and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute 24:513 A(3), are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, 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.



A Professional Accounting Corporation

Covington, LA
November 22, 2021

DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Statement of Financial Position
June 30, 2021

Assets	
Current Assets	
Cash	\$ 3,537,399
Grants Receivable	<u>150,331</u>
Total Current Assets	<u>3,687,730</u>
Property, Plant, and Equipment	
Land	93,000
Land Improvements	1,198,852
Software	44,800
Computer Equipment	194,640
Buses	980,821
Furniture and Equipment	1,717,698
Buildings and Improvements	<u>8,047,106</u>
Total at Cost	12,276,917
Less: Accumulated Depreciation	<u>(6,307,129)</u>
Net Property, Plant, and Equipment	<u>5,969,788</u>
Total Assets	<u><u>\$ 9,657,518</u></u>
Liabilities and Net Assets	
Liabilities	
Accounts Payable	\$ 21,972
Accrued Expenses	<u>1,113,378</u>
Total Current Liabilities	<u>1,135,350</u>
Total Liabilities	<u>1,135,350</u>
Net Assets	
Without Donor Restrictions	<u>8,522,168</u>
Total Liabilities and Net Assets	<u><u>\$ 9,657,518</u></u>

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

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2021**

	Without Donor Restrictions
Support and Revenue	
State Public School Funding	\$ 7,946,393
Federal Sources	1,005,520
Student Activity Income	254,363
Other State Funding	34,929
Other Income	8,671
Interest Income	3,682
Meal Income	742
	<hr/>
Total Support and Revenue	9,254,300
Expenses	
Program Services	8,207,040
Management and General	1,435,266
	<hr/>
Total Expenses	9,642,306
Change in Net Assets	(388,006)
Net Assets, Beginning of Year	8,910,174
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Net Assets, End of Year	\$ 8,522,168
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The accompanying notes are an integral part of these financial statements.

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Statement of Functional Expenses
For the Year Ended June 30, 2021**

	Education Programs	Supporting Services	
	Program Services	Management and General	Total
Salaries	\$ 3,610,305	\$ 781,377	\$ 4,391,682
Employee Benefits	1,411,639	301,983	1,713,622
Depreciation	710,380	-	710,380
Purchased Services	575,752	95,691	671,443
Food Services	499,437	-	499,437
Supplies, Materials, and Textbooks	425,253	27,820	453,073
Student Transportation	404,725	-	404,725
Student Activities	238,176	-	238,176
Utilities	154,231	-	154,231
Phone, Internet, and Postage	-	122,979	122,979
Insurance	86,107	31,231	117,338
Repairs	52,363	44,587	96,950
Dues and Miscellaneous	11,618	14,291	25,909
Tuition Reimbursement	20,004	-	20,004
Equipment	316	9,632	9,948
Travel	3,609	2,574	6,183
Property Services	3,125	-	3,125
Advertising	-	3,101	3,101
Total	\$ 8,207,040	\$ 1,435,266	\$ 9,642,306

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

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2021**

Cash Flows from Operating Activities	
Change in Net Assets	\$ (388,006)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	710,380
(Increase) Decrease in:	
Grants Receivable	(24,436)
Increase (Decrease) in:	
Accounts Payable	(1,991)
Accrued Expenses	<u>58,100</u>
Net Cash Provided by Operating Activities	<u>354,047</u>
 Cash Flows from Investing Activities	
Purchase of Property, Plant, and Equipment	<u>(62,461)</u>
Net Cash Used in Investing Activities	<u>(62,461)</u>
 Net Increase in Cash	291,586
 Cash, Beginning of Year	<u>3,245,813</u>
 Cash, End of Year	<u><u>\$ 3,537,399</u></u>

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization

Delhi Charter School (the School) was created as a non-profit corporation under the laws of the State of Louisiana on January 8, 2001. The School entered into a Charter School Contract with the Louisiana State Board of Elementary and Secondary Education (BESE) beginning July 1, 2001, whereby the School would operate a Type 2 charter school as defined in Louisiana Revised Statute 17:3971, et. seq. The School serves eligible students in kindergarten through twelfth grade, primarily in the Parish of Richland.

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

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. The School is required to record unconditional promises to give (pledges) as receivables and revenues and to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Under FASB ASC 958, the School is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions. This category also includes board-designated net assets.

Nets Assets With Donor Restrictions - Net assets representing contributed funds subject to specific donor-imposed restrictions contingent upon a specific purpose or a specific passage of time.

In addition, the School is required to present a statement of cash flows.

Basis of Accounting

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

Use of Estimates

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

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash

During the year, cash may consist of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution. At June 30, 2021, there were no restricted cash balances.

Statement of Cash Flows

For purposes of the statement of cash flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2021, the School had no cash equivalents.

Property, Plant, and Equipment and Depreciation

Property, plant, and equipment are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School. Depreciation expense for the year ended June 30, 2021 was \$710,380.

Depreciation of property, plant, and equipment is calculated using the straight-line method over the estimated useful lives of the assets. The following are the estimated useful lives of the property, plant, and equipment of the School:

	Useful Lives
Land Improvements	10 Years
Buildings and Improvements	10 - 40 Years
Furniture and Equipment	5 - 15 Years
Computer Equipment	3 Years
Buses	5 - 10 Years
Software	5 Years

Income Taxes

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The 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 financial statements.

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

Compensated Absences

The Board of Directors of the School grants all contracted employees of the School a total of 10 days of sick pay per year, provided, however, that the employee is contracted for a full year. Sick leave may be accumulated from year-to-year, not to exceed 90 days. Upon retirement and/or death, an employee will be paid any unused sick pay not to exceed 25 days. At June 30, 2021, the School had accrued compensated absences of \$424,857, which is included in accrued expenses on the accompanying statement of financial position.

Concentrations of Risk

The School received 86% of its revenues for the year ended June 30, 2021 from the State of Louisiana, subject to its charter agreement with BESE.

The students of the School live within parishes in northern Louisiana, including East Carroll, Franklin, Madison, Morehouse, Ouachita, Richland, Tensas, and West Carroll.

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 one financial institution located in northern Louisiana in excess of insured limits. The School has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Revenues and Support

State 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 State Grants

Federal and state grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Revenues and Support (Continued)

Private Grants and Contributions

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

Other Income

Revenue from other sources, including student activities and meals, is 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.

Contracts vs. Contributions

The School utilizes the guidance in FASB Accounting Standards Update (ASU) 2018-08 in the 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, there are no significant performance obligations satisfied over time. The School measures the performance obligation throughout the school year. Revenue for performance obligations satisfied at a point in time, which includes most student activities and income from meals, is 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.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Reversionary Interest in Funds and Assets

All funds received from the Louisiana Department of Education, United States Department of Education, or other state or federal agency are 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.

Recent Accounting Pronouncements - Not Yet Adopted

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02, as deferred by ASU 2020-05, is effective for financial statements issued for annual periods beginning after December 15, 2021. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

Functional Expenses

The cost of providing the School's various programs and supporting services has been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses are first allocated by direct identification, and then allocated if an expenditure benefits more than one program or function. As of June 30, 2021, all expenses were allocated by direct identification and not allocated.

Liquidity and Availability

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

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Liquidity and Availability (Continued)

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

Cash	\$ 3,537,399
Grants Receivable	<u>150,331</u>
Total	<u>\$ 3,687,730</u>

Note 2. Cash

The School's cash (book balances) at June 30, 2021 was \$3,537,399, which is stated at cost and approximates market.

Note 3. Grants Receivable

As of June 30, 2021, grants receivable consisted of amounts due from the following sources:

Grants	Amount
Title I	\$ 82,882
Title IV	24,361
Title II	17,302
IDEA	16,089
CARES Act	<u>9,697</u>
Total	<u>\$ 150,331</u>

All amounts listed above are considered fully collectible.

Note 4. Accrued Expenses

The breakdown of accrued expenses as of June 30, 2021 was as follows:

Accrued Salaries	\$ 621,995
Accrued Compensated Absences	424,857
Accrued Employee Benefits and Payroll Taxes	<u>66,526</u>
Total	<u>\$ 1,113,378</u>

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA**

Notes to Financial Statements

Note 5. Retirement Plans

Substantially all employees of the School are members of the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to these plans follows.

Teachers' Retirement System of Louisiana (TRSL)

Plan Description: 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. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123. At June 30, 2021, the TRSL was 83.9% funded.

Funding Policy: Plan members are required to contribute 8.0% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the year ended June 30, 2021, the employer contribution rate was 25.8%. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the year ended June 30, 2021 was \$1,109,281.

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 statute. The 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, P.O. Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484. At June 30, 2021, the LSERS was 72.8% funded.

Louisiana School Employees' Retirement System (LSERS) (Continued)

Funding Policy: Plan members are required to contribute 7.5% (8% if enrolled on or after July 1, 2010) of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the year ended June 30, 2021, the employer contribution rate was 28.70%. Member contributions and employer contributions for the LSERS are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the year ended June 30, 2021 was \$96,248.

Notes to Financial Statements

Note 6. Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the School operates.

While it is unknown how long these conditions will last and what the complete financial effect will be to the School, at this time, the School is experiencing moderate disruptions, including conversions to digital learning options, additional costs related to sanitization and technology supplies, and reductions in enrollment due to alternative school options. 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 financial statements have been, or will be, materially and adversely impacted in the near-term as a result of these conditions.

Note 7. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 22, 2021, and determined that no events occurred that require disclosure.

SUPPLEMENTARY INFORMATION

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Schedule of Board of Directors
For the Year Ended June 30, 2021**

Board Members	Compensation
Mr. Albert C. Christman, Chairman 121 Cedar Lane Delhi, LA 71232 (318) 878-9536	\$-0-
Mrs. Eva Santiago Dawson 2305 Highway 17 Delhi, LA 71232 (318) 878-0905	\$-0-
Mrs. Angie Franklin 1617 Highway 577 South Delhi, LA 71232 (318) 878-7070	\$-0-
Mrs. Jannie Nelson 127 Jamie Lane Delhi, LA 71232 (318) 878-3327	\$-0-
Mrs. Gwyn Ogden 2702 Highway 577 South Delhi, LA 71232 (318) 282-9368	\$-0-
Mr. Eddie Young 498 Section Road Delhi, LA 71232 (318) 488-0261	\$-0-
Ms. Keawana Marshall 859 Parish Line Road Delhi, LA 71232 (318) 381-1629	\$-0-
Mr. Austyn Davis 114 Myrtle Street Rayville, LA 71269 (318) 801-8342	\$-0-
Mr. Dusty Fallin 890 Hwy 854 Delhi, LA 71232 (318) 366-4328	\$-0-

See independent auditor's report.

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2021**

Agency Head
Brett Raley, Headmaster

Purpose	Amount
Salary	\$134,000
Benefits - Retirement	\$32,508
Benefits - Insurance	\$11,930
Bonus	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$139
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$350
Meals	\$470

See independent auditor's report.

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

Independent Auditor's Report

To the Board of Directors
Delhi Charter School
Delhi, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Delhi Charter School (the School), which comprise the statement of financial position as of June 30, 2021, 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 November 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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

A Professional Accounting Corporation

Covington, LA
November 22, 2021

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

Independent Auditor's Report

To the Board of Directors
Delhi Charter School
Delhi, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Delhi Charter 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 each of the School's major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, Delhi Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

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



A Professional Accounting Corporation

Covington, LA
November 22, 2021

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Federal Expenditures
United States Department of Agriculture		
Passed through the Louisiana Department of Education		
National School Lunch Program (NSLP) *	10.555	\$ 272,039
Total Child Nutrition Cluster		<u>272,039</u>
United States Department of Education		
Passed through the Louisiana Department of Education		
Title I - Grants to Local Educational Agencies	84.010	434,528
Special Education - Grants to States (IDEA Part B)	84.027	147,364
Title V - Rural and Low Income School	84.358	8,335
Title II - Improving Teacher Quality State Grants	84.367	35,302
Title IV - Student Support and Academic Enrichment	84.424	24,361
Striving Readers Comprehensive Literacy	84.371	960
Education Stabilization Fund:		
COVID-19: Governor's Emergency Education Relief Fund	84.425C	78,938
COVID-19: CARES Act: Elementary and Secondary School Emergency Relief Fund	84.425D	<u>3,693</u>
Total		<u>\$ 1,005,520</u>

This schedule is prepared on the accrual basis of accounting. The School has not elected to use the 10% de minimus indirect cost rate.

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section I. Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None reported |
| c. Noncompliance material to the financial statements noted? | No |
| 3. Management letter comment provided? | None |

Federal Awards

- | | |
|---|---------------|
| 4. Internal control over major programs | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| 5. Type of auditor's report issued on compliance for major programs | Unmodified |
| 6. Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. Identification of major programs | |
| 10.555 - National School Lunch Program (NSLP) | |
| 8. Dollar threshold used to distinguish between Type A and B programs | \$750,000 |
| 9. Auditee qualified as a low-risk auditee under the Uniform Guidance | Yes |

Section II. Internal Control Over Financial Reporting

None.

Section III. Findings and Questioned Costs Related to Major Federal Award Programs

None.

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section II. Internal Control Over Financial Reporting

None.

Section III. Findings and Questioned Costs Related to Major Federal Award Programs

None.

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA**

Agreed-Upon Procedures
R.S. 24:514 - Performance and Statistical Data

June 30, 2021

Contents	Schedule	Page
Independent Accountant's Report on Applying Agreed-Upon Procedures		1 - 3
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Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)		4
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	5
Class Size Characteristics	2	6

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Delhi Charter School,
the Louisiana Department of Education, and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Delhi Charter School (the School) for the year ended June 30, 2021. The School's management is responsible for its performance and statistical data.

Delhi Charter School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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, 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
 - Nonpublic Transportation Revenue

Results: No differences were 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 1st roll books for those classes and observed that the class was properly classified on the schedule.

Results: No differences were noted.

Education Levels/Experience 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 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 prepared by management.

Results: No differences were noted.

Public School 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).

Results: No differences were noted.

We were engaged by Delhi Charter School to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 Delhi Charter School as required by Louisiana Revised Statute 24:514 I, 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.

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

A Professional Accounting Corporation

Covington, LA
November 22, 2021

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
Schedules Required by State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2021**

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.

**DELHI CHARTER SCHOOL
DELHI, LOUISIANA
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2021**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 2,865,423	
Other Instructional Staff Salaries	391,540	
Instructional Staff Employee Benefits	1,246,151	
Purchased Professional and Technical Services	294,987	
Instructional Materials and Supplies	327,200	
Instructional Equipment	-	
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Total Teacher and Student Interaction Activities		\$ 5,125,301
Other Instructional Activities		197,448
Pupil Support Services	178,023	
Less: Equipment for Pupil Support Services	-	
	<hr/>	
Net Pupil Support Services		178,023
Instructional Staff Services	71,585	
Less: Equipment for Instructional Staff Services	-	
	<hr/>	
Net Instructional Staff Services		71,585
School Administration	736,197	
Less: Equipment for School Administration	60,909	
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Net School Administration		675,288
		<hr/>
Total General Fund Instructional Expenditures		\$ 6,247,645
		<hr/>
Total General Fund Equipment Expenditures		\$ 60,909
		<hr/>

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	-	
	<hr/>	
Total Local Taxation Revenue		\$ -
		<hr/>
Local Earnings on Investment in Real Property		
Earnings from 16 th Section Property	\$ -	
Earnings from Other Real Property	-	
	<hr/>	
Total Local Earnings on Investment in Real Property		\$ -
		<hr/>
State Revenue in Lieu of Taxes		
Revenue Sharing - Constitutional Tax	\$ -	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in lieu of Taxes	-	
	<hr/>	
Total State Revenue in Lieu of Taxes		\$ -
		<hr/>
Nonpublic Textbook Revenue	\$ -	
Nonpublic Transportation Revenue	-	
	<hr/>	
		\$ -
		<hr/>

**DELHI CHARTER SCHOOL
 DELHI, LOUISIANA
 Class Size Characteristics
 As of October 1, 2020**

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Combination	58%	105	37%	68	4%	7	1%	2
Combination Activity Classes	82%	40	14%	7	0%	0	4%	2

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 the 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.