

**Bayou Community Academy, Inc.
Charter School**

Financial Statements
and Independent Auditor's Report
June 30, 2021

**Bayou Community Academy, Inc.
Charter School**

Financial Statements and Independent Auditor's Report
As of and for the Year Ended
June 30, 2021

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**Bayou Community Academy, Inc.
Charter School**

Financial Statements and Independent Auditor's Report
As of and for the Year Ended
June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Bayou Community Academy, Inc. Charter School
Thibodaux, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bayou Community Academy, Inc. Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Bayou Community Academy, Inc. 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bayou Community Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bayou Community Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bayou Community Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Board of Trustees and the Schedule of Compensation, Benefits, and

Other Payments to the Director on pages 18 and 19 are presented for purposes of additional analysis and are 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 October 13, 2021 on our consideration of Bayou Community Academy, Inc. Charter 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 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.



Houma, Louisiana
October 13, 2021

FINANCIAL STATEMENTS

**Bayou Community Academy, Inc.
Charter School**

Statement of Financial Position
June 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,272,213
Investments	10,125,848
Receivables	4,225
Prepaid expenses	<u>54,600</u>

Total current assets 11,456,886

Property and equipment, net of accumulated depreciation of \$249,075	<u>1,295,135</u>
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TOTAL ASSETS \$ 12,752,021

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 36,649
Accrued payroll	165,663
Payroll taxes payable	3,843
Deferred compensation	128,129
Compensated absences	<u>28,643</u>

Total current liabilities 362,927

Net assets:

Without donor restrictions	<u>12,389,094</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 12,752,021

See accompanying notes.

**Bayou Community Academy, Inc.
Charter School**

Statement of Activities
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>
REVENUE, GRANTS, AND OTHER SUPPORT	
Grants:	
State public school funding	\$ 4,644,703
Other local sources	188,170
In-kind donations	127,622
Fundraising	49,461
COVID federal tax credits	42,543
TOTAL REVENUE, GRANTS, AND OTHER SUPPORT	<u>5,052,499</u>
EXPENSES	
Program services	
Regular education programs	2,104,565
School administration	320,067
Operation and maintenance	260,230
Special education programs	231,791
Pupil support services	168,252
Other instructional programs	115,788
Student transportation services	106,608
Instructional staff services	76,602
Special programs	74,948
Non-instructional services	32,438
Central services	5,996
Management and general	
Business services	194,425
General administration	140,156
Fundraising	23,192
TOTAL EXPENSES	<u>3,855,058</u>
INCREASE IN NET ASSETS	<u>1,197,441</u>
OTHER INCREASES IN NET ASSETS	
Investment income	9,533
Debt forgiveness - PPP loan	8,400
OTHER INCREASE IN NET ASSETS	<u>17,933</u>
INCREASE IN NET ASSETS	1,215,374
NET ASSETS, BEGINNING OF PERIOD	<u>11,173,720</u>
NET ASSETS, END OF PERIOD	<u>\$ 12,389,094</u>

See accompanying notes.

**Bayou Community Academy, Inc.
Charter School**

**Statement of Functional Expenses
Year Ended June 30, 2021**

	Program Services						
	Regular Education Programs	School Administration	Operation and Maintenance	Special Education Programs	Pupil Support Services	Other Instructional Programs	Student Transportation Services
Salaries and stipends	\$ 1,328,655	\$ 219,726	\$ 31,485	\$ 141,305	\$ 121,059	\$ 106,370	\$ 38,757
Retirement expense	333,838	50,314	6,812	32,102	31,631	4,521	-
Group insurance	202,860	31,598	11,477	9,925	12,455	65	-
Rent	-	-	153,780	-	-	-	-
Equipment	101,865	331	-	1,161	-	-	-
Materials and supplies	42,512	4,063	17,072	1,497	959	388	-
Dues and fees	-	1,369	-	-	-	-	-
Professional services	6,808	925	288	43,593	-	-	-
Insurance	-	-	14,775	-	-	-	26,813
Textbooks/workbooks	41,373	-	-	-	-	-	-
Student transportation leases	-	-	-	-	-	-	33,300
Payroll taxes	20,240	3,440	502	2,208	1,798	578	606
Depreciation	-	-	-	-	-	-	-
Utilities	-	-	19,340	-	-	-	-
Miscellaneous	60	737	2,541	-	-	3,468	-
Telephone and postage	4,077	4,989	-	-	-	398	-
Expenses for student activities	-	-	-	-	-	-	-
Printing and copying	10,616	-	-	-	-	-	-
Workmen's compensation	9,870	-	-	-	-	-	-
Travel and gasoline expense	625	88	-	-	350	-	7,132
Booster club expenses	-	-	-	-	-	-	-
Repairs and maintenance	1,166	-	2,158	-	-	-	-
Expenses for school activities	-	-	-	-	-	-	-
Equipment rental	-	2,487	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
	<u>\$ 2,104,565</u>	<u>\$ 320,067</u>	<u>\$ 260,230</u>	<u>\$ 231,791</u>	<u>\$ 168,252</u>	<u>\$ 115,788</u>	<u>\$ 106,608</u>

See accompanying notes.

**Bayou Community Academy, Inc.
Charter School**

**Statement of Functional Expenses (Cont.)
Year Ended June 30, 2021**

	Program Services (Cont.)				Management and General			Total
	Instructional Staff Services	Special Programs	Non-instructional Services	Central Services	Business Services	General Administration	Fundraising	
Salaries and stipends	\$ 51,500	\$ 42,001	\$ -	\$ -	\$ 129,889	\$ -	\$ -	\$ 2,210,747
Retirement expense	13,287	11,249	-	-	32,689	-	-	516,443
Group insurance	6,561	19,509	-	-	7,617	-	-	302,067
Rent	-	-	-	-	-	-	-	153,780
Equipment	1,044	255	-	-	2,319	-	-	106,975
Materials and supplies	-	150	8,104	-	1,986	-	23,192	99,923
Dues and fees	-	-	-	-	-	97,522	-	98,891
Professional services	-	-	-	-	8,892	17,148	-	77,654
Insurance	-	-	-	-	-	5,214	-	46,802
Textbooks/workbooks	3,432	-	-	-	-	-	-	44,805
Student transportation leases	-	-	-	-	-	-	-	33,300
Payroll taxes	778	584	-	-	1,971	-	-	32,705
Depreciation	-	-	-	-	-	19,624	-	19,624
Utilities	-	-	-	-	-	-	-	19,340
Miscellaneous	-	1,200	-	5,996	2,512	645	-	17,159
Telephone and postage	-	-	-	-	4,337	-	-	13,801
Expenses for student activities	-	-	12,674	-	-	-	-	12,674
Printing and copying	-	-	-	-	-	-	-	10,616
Workmen's compensation	-	-	-	-	-	-	-	9,870
Travel and gasoline expense	-	-	-	-	1,580	-	-	9,775
Booster club expenses	-	-	8,479	-	-	-	-	8,479
Repairs and maintenance	-	-	-	-	633	-	-	3,957
Expenses for school activities	-	-	3,181	-	-	-	-	3,181
Equipment rental	-	-	-	-	-	-	-	2,487
Advertising	-	-	-	-	-	3	-	3
	<u>\$ 76,602</u>	<u>\$ 74,948</u>	<u>\$ 32,438</u>	<u>\$ 5,996</u>	<u>\$ 194,425</u>	<u>\$ 140,156</u>	<u>\$ 23,192</u>	<u>\$ 3,855,058</u>

See accompanying notes.

**Bayou Community Academy, Inc.
Charter School**

Statement of Cash Flows
Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 1,215,374
Adjustment to reconcile increase in net assets to net cash flows provided by operating activities:	
Depreciation	19,624
Increase in operating assets:	
Receivables	(4,225)
Prepaid expenses	(2,883)
Increase (decrease) in operating liabilities:	
Accounts payable	(116,570)
Accrued payroll	9,483
Accrued expenses	(327)
Payroll taxes payable	(643)
Deferred compensation	13,121
Compensated absences	7,283

**NET CASH FLOWS PROVIDED BY OPERATING
ACTIVITIES**

1,140,237

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(183,457)
Purchases of investments	(909,534)

NET CASH FLOWS USED IN INVESTING ACTIVITIES

(1,092,991)

CASH FLOWS USED IN FINANCING ACTIVITIES:

Payment of note payable	(8,400)
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NET INCREASE IN CASH AND CASH EQUIVALENTS

38,846

BEGINNING CASH AND CASH EQUIVALENTS

1,233,367

ENDING CASH AND CASH EQUIVALENTS

\$ 1,272,213

See accompanying notes.

Bayou Community Academy, Inc.
Charter School

Notes to Financial Statements
Year Ended June 30, 2021

Note 1 – Organization and Operations

Bayou Community Academy, Inc. (the School) was created as a non-profit corporation under the laws of the State of Louisiana on January 29, 2009. The School operates as a Type I charter school under a charter granted by the Lafourche Parish School Board which expires on June 30, 2026. The School serves eligible students in pre-kindergarten through eighth grade.

The School paid Lafourche Parish School Board an administrative fee representing 2% of the total revenue received under the State Public School – MFP Funding amounting to \$92,894.

Note 2 – Summary of Significant Accounting Policies

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

A. Financial Statement Presentation – The School follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The School is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. In addition, the School is required to present statements of functional expenses and cash flows.

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the donor-imposed time or purpose restrictions. Contributions with donor restrictions, for which the restriction is met in the same year, are classified as net assets without donor restrictions.

B. Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred, in accordance with accounting principles generally accepted in the United States of America.

C. Cash and Cash Equivalents – For the purpose 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.

D. Revenues – The School's primary source of funding is through the State Public School – MFP Funding.

E. Property and Equipment – Property and equipment of the School 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

Bayou Community Academy, Inc.
Charter School

Notes to Financial Statements
Year Ended June 30, 2021

Note 2 – Summary of Significant Accounting Policies (Cont.)

capitalized. Depreciation of all exhaustible property and equipment is charged as an expense against operations. Property and equipment reported on the statement of financial position are net of accumulated depreciation. Normal building maintenance and minor equipment purchases are included as expenses of the School. Property and equipment acquisitions are capitalized if the purchase price exceeds \$1,000 and the asset has a useful life greater than one year. Depreciation expense for the year ended June 30, 2021 was \$19,624. Depreciation is calculated using the straight-line method over useful lives of three to fifteen years.

- F. Income Taxes – The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. No provision for income taxes has been made as the School had no taxable activities.
- G. 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.
- H. Advertising – Advertising costs are expensed as incurred. Advertising expense totaled \$3 for the year ended June 30, 2021.
- I. Recent Pronouncement – 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 balance sheet 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 is effective for financial statements issued for annual periods beginning after December 15, 2021. The School has not determined the impact ASU 2016-02 will have on its financial statements.
- J. Functional Expenses – The costs of providing the program services and other activities have 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied.

When possible, expenses are first allocated by direct identification and then by allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort. There were no such allocated expenses during the year ended June 30, 2021.

**Bayou Community Academy, Inc.
Charter School**

Notes to Financial Statements
Year Ended June 30, 2021

Note 3 – Concentrations of Credit Risk

The School maintains its cash in one financial institution located in Louisiana. The Federal Deposit Insurance Corporation (FDIC) insures the balances up to \$250,000 at this institution. The School exceeded federally insured limits during the year; however, the School was adequately collateralized by pledged securities at all times during the year ended June 30, 2021.

The School received 92% of its revenues in the year ended June 30, 2021 from the State Public School – MFP Funding, subject to its charter school contract.

Note 4 – Investments

The School's investments are limited to funds deposited with Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government and approved quasi-public entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 53 days as of June 30, 2021.
- Foreign currency risk: Not applicable.

**Bayou Community Academy, Inc.
Charter School**

Notes to Financial Statements
Year Ended June 30, 2021

Note 4 – Investments (Cont.)

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP, and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Investments in LAMP as of June 30, 2021 amounted to \$10,125,848 and are classified on the Statement of Financial Position as “Investments”.

Note 5 – Fair Values of Financial Instruments

The School's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, investments, and accounts payable. Management estimates that the fair value of all financial instruments as of June 30, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Note 6 – Property and Equipment

A summary of changes in property and equipment follows:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
Capital asset, not being depreciated:				
Land	\$ 509,858	\$ -	\$ -	\$ 509,858
Construction in progress	573,657	159,325	-	732,982
Capital assets, being depreciated:				
Computers and peripherals	200,046	18,254	(24,866)	193,434
Computer software	16,128	-	-	16,128
Furniture and equipment	71,102	5,878	-	76,980
Musical instruments	14,828	-	-	14,828
	<u>1,385,619</u>	<u>183,457</u>	<u>(24,866)</u>	<u>1,544,210</u>
Less: accumulated depreciation	<u>(254,317)</u>	<u>(19,624)</u>	<u>24,866</u>	<u>(249,075)</u>
Total	<u>\$ 1,131,302</u>	<u>\$ 163,833</u>	<u>\$ -</u>	<u>\$ 1,295,135</u>

All assets acquired with Louisiana Department of Education funds are owned by the School while used for the purpose in which they were purchased. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

**Bayou Community Academy, Inc.
Charter School**

Notes to Financial Statements
Year Ended June 30, 2021

Note 6 – Property and Equipment (Cont.)

Construction in progress totaling \$732,982 is for the planning and design of the new school campus discussed in Note 15.

Note 7 – Deferred Compensation

For ten-month employees, such as teachers, July 2021 payroll costs are recorded as deferred compensation. These employees earned such compensation by completing their contracts with the School in May or June 2021. While they work for a ten-month period, they get paid over a twelve-month period. The contract period for these employees was August 2, 2020 to May 23, 2021, and the amount of deferred compensation that was recorded is \$128,129.

Note 8 – Compensated Absences

Annual leave is to be granted to all 230-240 day employees for the purpose of rehabilitation and restoration of work efficiency. The School has five employees in this category. All 230-240 day employees shall earn such leave based on years of experience. Any unused annual leave at the time of separation (termination of employment or death) shall be paid to the employee or his/her heirs. As of June 30, 2021, compensated absences payable equaled \$28,643.

Note 9 – Forgiveness of Payroll Protection Program Loan

As part of the C.A.R.E.S. Act passed by Congress for purposes of economic stimulus in light of implications from the COVID-19 crisis, Payroll Protection Program (PPP) loans were made available to maintain employees. On April 15, 2020, the School borrowed \$8,400 from its bank under this loan program. On November 20, 2020, the PPP loan was forgiven by the lender and the U.S. Small Business Administration (SBA) in accordance with guidelines established by the lender, the SBA, and the C.A.R.E.S. Act.

Note 10 – Qualified Sick and Family Leave Wage Credits

The Families First Coronavirus Response Act (the "F.F.C.R.A."), as amended by the COVID-related Tax Relief Act of 2020, provides small and midsize employers refundable tax credits that reimburse them, dollar-for-dollar, for the cost of providing paid sick and family leave wages to their employees for leave related to COVID-19. The School has determined that it qualified for credits in the amount of \$42,543, which have been recorded in the accounting records and are reflected as "other support" on the Statement of Activities.

**Bayou Community Academy, Inc.
Charter School**

Notes to Financial Statements
Year Ended June 30, 2021

Note 11 – In-Kind Contributions

In-kind contributions represent the estimated fair value of general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.

In-kind contributions for the year ended June 30, 2021 included iReady licenses, curriculum, technology, equipment, raffle donations, and summer camp wages totaling \$127,622.

The value of donated volunteer services is not reflected in the accompanying financial statements since they do not meet the recording criteria as per FASB 116. However, a substantial number of volunteers have donated significant amounts of their time in the School's program, administrative, and fundraising activities.

Note 12 – Retirement Plans

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

The TRSL provides retirement benefits, as well as, disability and survivor benefits. Twenty years of service credit are required to become vested for retirement benefits, five years of service credit if the employee reaches age sixty, 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 for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Funding Policy

Plan members are required to contribute 8% 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 \$509,631.

In addition to TRSL, certain employees of the School participate in the Louisiana School Employees' Retirement System (LSERS). The LSERS is a cost-sharing, multiple-employer defined benefit plan, which guarantees a benefit based on age, years of service, and final average compensation at retirement, not on the amount of contributions. LSERS members are non-instructional personnel of the Louisiana public school system. Employees must work more

Bayou Community Academy, Inc.
Charter School

Notes to Financial Statements
Year Ended June 30, 2021

Note 12 – Retirement Plans (Cont.)

than 20 hours per week to become a member of this system. Twenty years of service or five years of service (if the member is at least age 62) are required to become vested in the system.

Funding Policy

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate, which was 28.7% for fiscal year 2020-2021. The School's contribution to the plan for the year ended June 30, 2021 was \$6,812.

Note 13 – Uncertain Income Taxes

The School's 2019 tax return was filed appropriately. As of October 2021, the School had not filed its 2020 tax return as the filing due date has been extended to May 15, 2022. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit period is 2017 to 2020. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

Note 14 – Operating Leases

On June 30, 2018, the School entered into a written lease agreement with the Lafourche Parish School Board for the rental of property to be used for the operation of Bayou Community Academy, Inc. The lease was for a term of three years and ended on June 30, 2021. The agreement included 36 monthly payments of \$11,765. The total expense under this lease for the year ended June 30, 2021 is \$141,180.

The lease was renewed on June 2, 2021 with the same terms as the original lease and will end on June 30, 2023. Future minimum lease payments on this lease are as follows:

<u>June 30,</u>	
2022	\$ 141,180
2023	141,180
	<hr/>
	\$ 282,360

Bayou Community Academy, Inc. entered into a written lease agreement for office space for a term of four years, beginning April 1, 2017 and ending March 31, 2021. The lease was extended for two years, effective April 1, 2021 and ending on March 31, 2023. The original agreement included 48 monthly payments of \$1,000; the extension includes 24 monthly payments of \$1,200. The total expense under this lease for the year ended June 30, 2021 is \$12,600.

**Bayou Community Academy, Inc.
Charter School**

Notes to Financial Statements
Year Ended June 30, 2021

Note 14 – Operating Leases (Cont.)

Future minimum lease payments on this lease are as follows:

<u>June 30,</u>		
2022	\$	14,400
2023		10,800
		<hr style="width: 100%;"/>
	\$	25,200
		<hr style="width: 100%;"/>

On August 1, 2020, the School entered into a School Bus Lease Service/Maintenance Agreement with a locally-owned school bus provider to lease three school buses. The agreement stipulates a rate of \$11,100 per vehicle payable in ten payments of \$1,110 per month per vehicle. The total expense under this lease for the year ended June 30, 2021 is \$33,300.

Note 15 – Commitment

As per the terms of the Act of Cash Sale, Bayou Community Academy, Inc. is required to begin construction on the land it purchased on September 10, 2015 within five years from the date of purchase.

On September 3, 2019, Bayou Community Academy, Inc. entered into a Contract for Construction and a Standard Form of Agreement with an architect for the construction of a new school campus as discussed. Planning and design for the school campus began during the year ended June 30, 2020 as detailed in Note 6. According to a Preliminary Architectural Feasibility Report dated October 8, 2020, the estimated project cost is \$18,215,000, including the cost of land acquired in 2015. Management estimates that the new campus will be in service for the 2023-2024 school year.

Note 16 – Liquidity and Availability of Financial Assets

The following reflects the School's financial assets as of June 30, 2021, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Current assets	\$	11,456,886
Less those unavailable for general expenditures within one year:		
Amounts payable for current maturities of long-term debt		<hr style="width: 100%;"/>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>11,456,886</u>

**Bayou Community Academy, Inc.
Charter School**

Notes to Financial Statements
Year Ended June 30, 2021

Note 17 – Subsequent Events

Subsequent events were evaluated through October 13, 2021, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

**Bayou Community Academy, Inc.
Charter School**

Schedule of Board of Trustees
Year Ended June 30, 2021

Board Members

Compensation

William Crawford 522 Green Street Thibodaux, Louisiana 70301	\$-0-
Jim Barr 402 West 2 nd Street Thibodaux, Louisiana 70301	\$-0-
Jerad David 504 Ashland Drive Thibodaux, Louisiana 70301	\$-0-
Hal Callais 800 East 1 st Street Thibodaux, Louisiana 70301	\$-0-
Monique Clark 412 Cavaness Drive Houma, Louisiana 70364	\$-0-
Nolan Smith 210 Brooklyn Lane Raceland, Louisiana 70394	\$-0-
Shelba Harlan 312 Amis Street Thibodaux, Louisiana 70301	\$-0-
Danny Baker 141 Towne Way Thibodaux, Louisiana 70301	\$-0-

See independent auditor's report.

**Bayou Community Academy, Inc.
Charter School**

Schedule of Compensation, Benefits, and Other
Payments to the Director
Year Ended June 30, 2021

Agency Head Name: Melanie Becnel, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 88,648
Benefits - retirement	22,871
Benefits - insurance	12,038
Registration fees	865
Cell phone	651
Dues	360
Special meals	63
Reimbursements	-
Travel	-

This schedule satisfies the reporting requirements of R.S. 24:513(A)(3).

See independent auditor's report.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

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

To the Board of Trustees
Bayou Community Academy, Inc.
Thibodaux, 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 Bayou Community Academy, Inc. Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 October 13, 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 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 Bayou Community Academy, Inc. Charter 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.

A handwritten signature in cursive script that reads "Martin and Pelgri".

Houma, Louisiana
October 13, 2021

OTHER INFORMATION

**Bayou Community Academy, Inc.
Charter School**

Schedule of Findings and Responses
As of and for the Year Ended
June 30, 2021

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of Bayou Community Academy, Inc. Charter School.
2. No deficiencies in internal control were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters material to the financial statements of Bayou Community Academy, Inc. Charter School, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A management letter was not issued.

Section II – Financial Statement Findings

No findings material to the financial statements of Bayou Community Academy, Inc. Charter School were noted during the audit.

Section III – Internal Control Findings

No findings related to Bayou Community Academy, Inc. Charter School’s internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section IV – Federal Award Findings and Questioned Costs

This section is not applicable.

REPORTS BY MANAGEMENT

**Bayou Community Academy, Inc.
Charter School**

Schedule of Prior Findings and Resolution Matters
As of and for the Year Ended
June 30, 2021

Note: All prior findings relate to the June 30, 2020 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

**Bayou Community Academy, Inc.
Charter School**

Management's Corrective Action
Plan for Current Year Findings
As of and for the Year Ended
June 30, 2021

The contact person for all corrective actions noted below is Mrs. Sara Barrilleaux, Business Manager/Chief Financial Officer for Bayou Community Academy, Inc. Charter School.

Section I – Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

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

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Trustees, the Louisiana Department of Education,
and the Louisiana Legislative Auditor
Bayou Community Academy, Inc. Charter School
Thibodaux, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Bayou Community Academy, Inc. Charter School (the School), the Louisiana Department of Education, and the Louisiana Legislative Auditor (LLA) (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Bayou Community Academy, Inc. for the fiscal year ended June 30, 2021 and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We have 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 accounts for each of the categories reported on Schedule 1.

We noted no exceptions.

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, 2020 roll books for those classes and observed that the class was properly classified on the schedule.

We noted no exceptions.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We obtained the October 1, 2020 PEP data submitted to the Department of Education, 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.

We noted no exceptions.

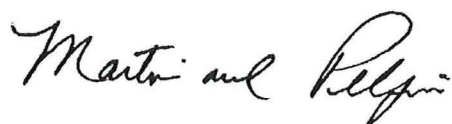
Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education 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.

We noted no exceptions.

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 Bayou Community Academy, Inc. 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.



Houma, Louisiana
October 13, 2021

**Bayou Community Academy, Inc. Charter School
Thibodaux, Louisiana**
General Fund Instructional and Support Expenditures
And Certain Local Revenue Sources
Year Ended June 30, 2021

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$	1,355,976	
Other Instructional Staff Activities		194,304	
Instructional Staff Employee Benefits		647,550	
Purchased Professional and Technical Services		50,401	
Instructional Materials and Supplies		87,119	
Instructional Equipment		103,281	

Total Teacher and Student Interaction Activities			\$	2,438,631
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Other Instructional Activities				88,460
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Pupil Support Services		168,251		
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Less: Equipment for Pupil Support Services		-		
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Net Pupil Support Services				168,251
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Instructional Staff Services		76,602		
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Less: Equipment for Instructional Staff Services		(1,044)		
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Net Instructional Staff Services				75,558
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School Administration		320,068		
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Less: Equipment for School Administration		(331)		
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Net School Administration				319,737
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Total General Fund Instructional Expenditures			\$	3,090,637
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Total General Fund Equipment Expenditures			\$	131,107
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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			\$	-
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Local Earnings on Investment in Real Property

Earnings from 16th Section Property	\$	-		
Earnings from Other Real Property		-		

Total Local Earnings on Investment in Real Property			\$	-
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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			\$	-
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Nonpublic Textbook Revenue			\$	-
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Nonpublic Transportation Revenue			\$	-
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See independent accountant's report on applying agreed-upon procedures.

Bayou Community Academy, Inc. Charter School
Thibodaux, Louisiana
 Class Size Characteristics
 As of October 1, 2020

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Combination	15%	3	55%	11	30%	6	0%	0

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