

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
Farmerville, Louisiana

**Financial Statements**  
As of and for the Years Ended June 30, 2021 and 2020

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
Farmerville, Louisiana

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**Table of Contents**

	<u>Page</u>
Independent Auditors' Report	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statements of Activities	5
Statements of Cash Flows	7
Notes to the Financial Statements	8
<b>OTHER INFORMATION</b>	
Schedule of Compensation, Benefits, and Other Payments to the Executive Director	20
<b>REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> AND BY UNIFORM GUIDANCE</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	21
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	23
Schedule of Expenditures of Federal Awards	25
Notes to Schedule of Expenditures of Federal Awards	26
Schedule of Findings and Questioned Costs	27
Status of Prior Year Findings	28



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## INDEPENDENT AUDITORS' REPORT

**Board of Directors  
D'Arbonne Woods Charter School, Inc.  
Farmerville, Louisiana**

We have audited the accompanying financial statements of the **D'Arbonne Woods Charter School** (a nonprofit organization, the School), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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.

**Board of Directors  
D'Arbonne Woods Charter School  
Farmerville, Louisiana**

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 D'Arbonne Woods Charter School as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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* and Schedule of Compensation, Benefits, and Other Payments to the Executive Director 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 March 31, 2022, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and do not provide an opinion on internal control over financial reporting or 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.

*Woodard + Associates*

**(A Professional Accounting Corporation)**  
Monroe, Louisiana

**March 31, 2022**

## **FINANCIAL STATEMENTS**

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
Farmerville, Louisiana

**Statements of Financial Position**

	<b>June 30, 2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash	\$ 2,894,764	\$ 151,171	\$ 3,045,935
Investments	217,296	-	217,296
Accounts receivable	8,400	-	8,400
Grants receivable	900,473	-	900,473
Total current assets	4,020,932	151,171	4,172,103
<b>Property and equipment, net</b>	22,823,924	-	22,823,924
<b>Noncurrent assets</b>			
Funds held by fiscal agent	2,520,130	-	2,520,130
Total noncurrent assets	2,520,130	-	2,520,130
Total assets	\$ 29,364,986	\$ 151,171	\$ 29,516,157
<b>Liabilities and net assets</b>			
<b>Current liabilities</b>			
Accounts and retainage payable	\$ 172,056	\$ -	\$ 172,056
School activity funds payable	-	6,911	6,911
Payroll liabilities	327,904	-	327,904
Compensated absences	298,521	-	298,521
Long-term debt, current portion	282,511	-	282,511
Total current liabilities	1,080,992	6,911	1,087,903
<b>Noncurrent liabilities</b>			
Long-term debt	21,490,013	-	21,490,013
Less unamortized bond issuance cost	(256,739)	-	(256,739)
Total noncurrent liabilities	21,233,274	-	21,233,274
Total liabilities	22,314,266	6,911	22,321,177
<b>Net assets</b>	7,050,718	144,260	7,194,978
Total net assets	7,050,718	144,260	7,194,978
Total liabilities and net assets	\$ 29,364,984	\$ 151,171	\$ 29,516,155

The accompanying notes are an integral part of these statements

	<b>June 30, 2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash	\$ 2,654,195	\$ 162,891	\$ 2,817,086
Investments	214,221	-	214,221
Accounts receivable	185	751	936
Grants receivable	319,589	-	319,589
Total current assets	<u>3,188,190</u>	<u>163,642</u>	<u>3,351,832</u>
<b>Property and equipment, net</b>	23,349,281	-	23,349,281
<b>Noncurrent assets</b>			
Funds held by fiscal agent	2,249,788	-	2,249,788
Total noncurrent assets	<u>2,249,788</u>	<u>-</u>	<u>2,249,788</u>
Total assets	<u>\$ 28,787,259</u>	<u>\$ 163,642</u>	<u>\$ 28,950,901</u>
<b>Liabilities and net assets</b>			
<b>Current liabilities</b>			
Accounts and retainage payable	\$ 106,932	\$ -	\$ 106,932
School activity funds payable	-	7,871	7,871
Payroll liabilities	499,250	-	499,250
Compensated absences	284,873	-	284,873
Deferred revenues	51,643	-	51,643
Long-term debt, current portion	274,475	-	274,475
Total current liabilities	<u>1,217,173</u>	<u>7,871</u>	<u>1,225,044</u>
<b>Noncurrent liabilities</b>			
Long-term debt	21,773,916	-	21,773,916
Less unamortized bond issuance cost	(269,919)	-	(269,919)
Total noncurrent liabilities	<u>21,503,997</u>	<u>-</u>	<u>21,503,997</u>
Total liabilities	22,721,170	7,871	22,729,041
<b>Net assets</b>	<u>6,066,089</u>	<u>155,771</u>	<u>6,221,860</u>
Total net assets	<u>6,066,089</u>	<u>155,771</u>	<u>6,221,860</u>
Total liabilities and net assets	<u>\$ 28,787,259</u>	<u>\$ 163,642</u>	<u>\$ 28,950,901</u>

The accompanying notes are an integral part of these statements

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**

Farmerville, Louisiana

**Statements of Activities****For the Years Ended**

	<b>June 30, 2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenue</b>			
State public school funding	\$ 10,180,519	\$ -	\$ 10,180,519
Federal sources	1,511,326	-	1,511,326
State sources	28,627	-	28,627
Donations	2,197	7,575	9,772
Fundraisers	-	81,838	81,838
Meal income	11,272	-	11,272
Dues and fees	-	15,967	15,967
Other income	31,518	154,677	186,195
Interest income	50,391	-	50,391
Total	<u>11,815,850</u>	<u>260,057</u>	<u>12,075,907</u>
Net assets released from restrictions	<u>271,568</u>	<u>(271,568)</u>	<u>-</u>
Total support and revenue	12,087,418	(11,511)	12,075,907
<b>Expenses and losses</b>			
Program Services	<u>10,403,780</u>	<u>-</u>	<u>10,403,780</u>
Support Services			
Management and general	664,572	-	664,572
Fundraising expenses	29,222	-	29,222
Total Support Services	<u>693,794</u>	<u>-</u>	<u>693,794</u>
Loss / (Gain) on Disposal	5,215	-	5,215
Total expenses and losses	<u>11,102,787</u>	<u>-</u>	<u>11,102,787</u>
<b>Increase in net assets</b>	984,631	(11,511)	973,120
<b>Net assets at beginning of year</b>	<u>6,066,089</u>	<u>155,771</u>	<u>6,221,860</u>
<b>Net assets at end of year</b>	<u>\$ 7,050,720</u>	<u>\$ 144,260</u>	<u>\$ 7,194,980</u>

The accompanying notes are an integral part of these statements



	<b>June 30, 2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenue</b>			
State public school funding	\$ 10,258,358	\$ -	\$ 10,258,358
Federal sources	782,506	-	782,506
State sources	50,398	-	50,398
Donations	2,144	20,975	23,119
Fundraisers	-	86,017	86,017
Meal income	66,324	-	66,324
Dues and fees	-	29,881	29,881
Other income	36,587	148,639	185,226
Interest income	69,602	-	69,602
Total	<u>11,265,919</u>	<u>285,512</u>	<u>11,551,431</u>
Net assets released from restrictions	<u>255,828</u>	<u>(255,828)</u>	<u>-</u>
Total support and revenue	11,521,747	29,684	11,551,431
<b>Expenses and losses</b>			
Program Services	<u>9,877,145</u>	<u>-</u>	<u>9,877,145</u>
Support Services			
Management and general	641,535	-	641,535
Fundraising expenses	44,793	-	44,793
Total Support Services	<u>686,328</u>	<u>-</u>	<u>686,328</u>
Loss / (Gain) on Disposal	16,153	-	16,153
Total expenses and losses	<u>10,579,626</u>	<u>-</u>	<u>10,579,626</u>
<b>Increase in net assets</b>	942,121	29,684	971,805
<b>Net assets at beginning of year</b>	<u>5,123,968</u>	<u>126,087</u>	<u>5,250,055</u>
<b>Net assets at end of year</b>	<u>\$ 6,066,089</u>	<u>\$ 155,771</u>	<u>\$ 6,221,860</u>

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**

Farmerville, Louisiana

**Statements of Cash Flows**

	For the Year Ended June 30,	
	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Program service payments received	\$ 10,173,055	\$ 10,263,763
Contributions and grants received	968,841	1,122,718
Receipts from special events	81,838	86,017
Other cash receipts	213,434	215,107
Payments for salaries, benefits and payroll taxes	(6,278,295)	(6,226,258)
Payments to vendors	(4,269,693)	(3,695,604)
Loss on sale of assets	13,180	(16,153)
Net cash provided by operating activities	<u>902,360</u>	<u>1,749,591</u>
<b>Cash flows from capital and related financing activities</b>		
Purchase of construction in progress and equipment	(182,583)	(601,976)
Payment on notes payable	(262,687)	(265,391)
Net cash used by capital and related financing activities	<u>(445,270)</u>	<u>(867,367)</u>
<b>Cash flows from investing activities</b>		
Increase in funds held by fiscal agent	(219,951)	(256,743)
Purchase of investments	(3,075)	(2,925)
Gain / (Loss) on Disposal of Assets	(5,215)	16,153
Net cash used by investing activities	<u>(228,241)</u>	<u>(243,515)</u>
<b>Net decrease in cash</b>	228,849	638,709
Cash at beginning of year	<u>2,817,086</u>	<u>2,178,377</u>
<b>Cash at end of year</b>	<u>\$ 3,045,935</u>	<u>\$ 2,817,086</u>
Shown on accompanying Statements of Financial Position as		
Cash	\$ 3,045,935	\$ 2,817,086
Total	<u>\$ 3,045,935</u>	<u>\$ 2,817,086</u>
Supplemental disclosure of cash flow information		
Cash paid for interest expense	<u>\$ 534,646</u>	<u>\$ 542,417</u>

The accompanying notes are an integral part of these statements

# D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

## Notes to the Financial Statements

As of and for the Years Ended June 30, 2021 and 2020

### INTRODUCTION

The D'Arbonne Woods Charter School, Inc. (the School) was granted a Type 2 charter by the Louisiana Board of Elementary or Secondary Education (BESE) to provide educational services in Union Parish to students beginning with the 2009-2010 school year. The curriculum is designed to meet the unique needs of rural, at-risk students. The School serves eligible students in kindergarten through twelfth grade. At its March 9, 2012 meeting the Louisiana State Board of Elementary and Secondary Education approved a material amendment to the School's charter allowing an increase in total enrollment and to add grades nine through twelve beginning with grade nine in the fall of 2012, subject to certain conditions set by the State Superintendent of Education. The School's Charter was renewed during the 2013 – 2014 fiscal year for a 10-year period. The School is governed by a seven-member board of directors.

### Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. FINANCIAL REPORTING

The School follows the guidance of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and has adopted the provisions of FASB's Accounting Standards Update 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* which modifies the presentation of net assets on the basic financial statements. In accordance with FASB ASU 2016-14, net assets are presented in two classes – net assets without donor restrictions and net assets with donor restrictions. Presentation in a particular net asset class is based on the existence or absence of donor-imposed restrictions on the use of net assets. Accordingly, the net assets of the School and changes therein are classified and reported as follows:

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

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

#### B. 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.

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**

Farmerville, Louisiana

**Notes to the Financial Statements**

As of and for the Years Ended June 30, 2021 and 2020

**C. CONTRIBUTIONS**

In accordance with ASC 958-605, *Not For Profit Entities-Revenue Recognition*, contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net assets class. When a qualifying expenditure occurs, or a time restriction expires, assets with donor restrictions are recognized in net assets without donor restrictions as “net assets released from restrictions” in the statement of activities. If a restriction is fulfilled in the same period in which the contribution is received, the contribution is reported as without donor restrictions. In the event non-cash items are contributed to the School, they are reported as revenue of the net assets without donor restrictions class unless explicit donor stipulations specify how the contributions must be used.

**D. REVENUES**

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded through the State Public School Fund. The School receives funding per eligible student in attendance on October 1<sup>st</sup>, payable in monthly installments. Adjustments are normally made in the following year on February 1<sup>st</sup>. State and Federal grants are generally on a cost reimbursement basis whereby revenues are recognized when related eligible expenses are incurred.

**E. PROPERTY AND EQUIPMENT**

The School has adopted the practice of capitalizing all expenditures for depreciable assets where the unit cost exceeds \$5,000 and the useful life exceeds one year. Property and equipment are recorded at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded at their estimated fair market value at the date of donation. 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.

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**

Farmerville, Louisiana

**Notes to the Financial Statements**

As of and for the Years Ended June 30, 2021 and 2020

Depreciation of property 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 and equipment of the School:

<u>Asset</u>	<u>Useful Life (in years)</u>
Buildings	40
Building Improvements	10-25
Land Improvements	30
Portable School Building	5
Furniture and Equipment	5-10
Computer Equipment	3
Buses	5-10
Software	5

**F. COMPENSATED ABSENCES**

The School grants all employees of the School a total of ten days of paid sick leave per year. Sick leave may be accumulated from year to year with no limit. Upon retirement or death, the School will pay to the employee or his/her estate for any unused sick leave not to exceed 25 days. Unused leave may be applied to years of service at retirement. In addition, all full-time personnel employed on a twelve month fiscal year basis are entitled to annual leave of ten to fifteen days per year, based upon years of consecutive service. Unused leave may be accumulated at a rate of five days per year with a maximum of twenty days. Upon retirement, death, termination, or resignation, the School will pay to the employee or his or her estate for all unused annual leave.

**G. 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. Also, the School is subject to income tax examinations by the Internal Revenue Service and the Louisiana Department of Revenue; however, there are currently no examinations in progress for any tax periods. The School is no longer subject to examination by tax authorities for years ended before June 30, 2016.

**H. INVESTMENTS AND INVESTMENTS HELD WITH FISCAL AGENT**

The School's investments consist of certificates of deposit with maturities greater than three months. The certificates are reported at cost which approximates fair market value. Investments held with fiscal agent are composed of United States

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**

Farmerville, Louisiana

**Notes to the Financial Statements**

As of and for the Years Ended June 30, 2021 and 2020

Treasury Strips, Treasury Bills, and Treasury Securities – State and Local Government Series (SLGS) and are carried at fair value.

**I. 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.

**J. 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.

**K. CONCENTRATIONS**

The School received 85% and 89% of its revenues in the years ended June 30, 2021 and 2020, respectively, from the State of Louisiana's Minimum Foundation Program, in accordance with its charter school contract with the State.

**L. RECLASSIFICATIONS**

Minor reclassifications have been made to the prior year financial statements to make them comparable to the current year presentation.

**Note 2 CASH**

The School's cash (bank balance) at June 30, 2021, was \$3,718,384 of which \$467,296 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$3,251,088 was unsecured. The School has not experienced any losses due to unsecured cash balances and management does not believe the School is exposed to significant risk.

**Note 3 LIQUIDITY AND AVAILABILITY OF RESOURCES**

At June 30, 2021, all of the School's \$2,894,764 cash balance (account balance) was available for general expenditure needs. An additional \$151,171 was donor restricted for school activities. The School has no policy to invest cash in excess of daily requirements or structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
Farmerville, Louisiana

**Notes to the Financial Statements**  
As of and for the Years Ended June 30, 2021 and 2020

**Note 4 INVESTMENTS**

The School's investments consist of Certificates of Deposit (CDs) and U. S. Treasury securities. The CDs were completely secured by FDIC. The School's investments at June 30, 2021, are valued at quoted market prices and other relevant information generated by market transactions held by the School at that date and are considered to be level 1 in the fair value hierarchy. The School's investments at June 30, 2021 and June 30, 2020 were as follows:

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Certificates of Deposit	\$ 217,296	\$ 214,222
Funds held by fiscal agent		
U.S. Treasury Strip Interest Payment Tint	166,179	119,803
Treasury securities - State and Local Government Series - (SLGS)	2,353,951	2,129,985
Total funds held by fiscal agent	2,520,130	2,249,788
Total Investments	\$ 2,737,426	\$ 2,464,010

Investments held with fiscal agent who does not have discretionary use of the funds are composed of United States Treasury Strips, Treasury Bills, and Treasury Securities – State and Local Government Series (SLGS) which makes up the School's irrevocable trust reserved for future payment of the bond (the sinking fund; See Note 10) and are carried at fair value. ASC Section 820 establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

- Level 1     Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the School has the ability to access;
- Level 2     Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3     Inputs to the valuation methodology are unobservable and significant to the fair value measurement. There is no movement in Level 3 year to year.

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**

Farmerville, Louisiana

**Notes to the Financial Statements**

As of and for the Years Ended June 30, 2021 and 2020

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

For the years ended June 30, 2021 and 2020, the School's investments (including gains and losses on investments bought, sold, and held during the year) changed in value as follows:

	<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>
Interest income from CDs	\$ 4,591	\$ 4,007
Interest income from Argent	50,292	47,795
Change in market value	<u>(4,492)</u>	<u>17,800</u>
	<u>\$ 50,391</u>	<u>\$ 69,602</u>

**Note 5 GRANTS AND OTHER RECEIVABLES**

Grants receivable are as follows for the years ended June 30, 2021 and 2020:

<b>Grants</b>	<b>2021</b>	<b>2020</b>
Title I	\$ 180,688	\$ 213,317
Title II	990	2,869
IDEA	46,773	61,482
Direct Student Service	6,036	10,169
IDEA Preschool	691	-
Education Stabilization Fund	551,239	-
Carl Perkins	107,592	31,752
Other Grants	<u>6,464</u>	<u>-</u>
Total	<u>\$ 900,473</u>	<u>\$ 319,589</u>

The School expects to collect substantially all outstanding balances and, therefore, does not include an estimate for allowance for doubtful accounts.



**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
Farmerville, Louisiana

**Notes to the Financial Statements**  
As of and for the Years Ended June 30, 2021 and 2020

**Note 6 SCHOOL ACTIVITY FUNDS**

School Activity Funds are monies collected through dues, fundraisers, admissions or other money generating activity by an organizational unit within the School. It also includes donations from outside sources when such donation is made for a specific or restricted purpose. The School considers all School Activity Funds to be donor designated.

**Note 7 DONOR RESTRICTED NET ASSETS**

Donor restricted net assets represent the school activities funds and any donations made for a specific or restricted purpose. As of June 30, 2021 and 2020, the entirety of the School's donor restricted net assets related to school activity funds.

**Note 8 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Depreciable assets		
Buildings	\$ 20,685,275	\$ 19,954,944
Building improvements	422,045	414,581
Land and site improvements	605,789	266,250
Equipment	716,270	703,669
Vehicles	237,573	237,573
Total depreciable assets	<u>22,666,952</u>	<u>21,577,017</u>
Less: Accumulated depreciation	<u>(3,293,002)</u>	<u>(2,607,135)</u>
Net depreciable assets	<u>19,373,950</u>	<u>18,969,882</u>
Nondepreciable assets		
Land	473,787	473,787
Construction in progress	2,976,187	3,905,612
Total nondepreciable assets	<u>3,449,974</u>	<u>4,379,399</u>
Total property and equipment, net	<u>\$ 22,823,924</u>	<u>\$ 23,349,281</u>

Depreciation expense totaled \$699,735 and \$664,142 for the years ended June 30, 2021 and 2020, respectively.

All assets acquired with Louisiana Department of Education funds are owned by the School while used for the purpose for which they were purchased. The Louisiana Department of Education, however, has a reversionary interest in these assets. In

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**

Farmerville, Louisiana

**Notes to the Financial Statements**

As of and for the Years Ended June 30, 2021 and 2020

addition, the United States Department of Agriculture – Rural Development (USDA) has a reversionary interest in the School, which was built from USDA funding, until the debt is paid. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

**Note 9 RETIREMENT PLAN**

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). 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:

**Plan Description:** TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit, or five years of service credit if the employee reaches age sixty, are 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. TRSL issues a publicly available financial report that includes financial statements and required supplementary information for 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. The rates were 26.33% and 25.52%, respectively, of annual eligible covered payroll for the years ended June 30, 2021 and 2020. 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 contributions to the plan were \$1,253,147 and \$1,144,831 for the years ended June 30, 2021 and 2020 respectively, which is equal to the required contribution.

**Note 10 BONDS PAYABLE AND LONG-TERM DEBT**

The School issued a \$5.1 million Qualified School Construction Bond (QSCB) dated December 21, 2010 bearing interest at 1.0% for the purpose of constructing a school facility. Interest is payable quarterly with the full principal amount due at maturity on December 15, 2029. In addition, the School is making quarterly deposits into an irrevocable trust reserved for future payment of the bond (the sinking fund). These funds are shown as funds held by fiscal agent on the Statements of Financial Position and had a balance of \$2,520,130 and \$2,249,788 at June 30, 2021 and 2020, respectively. The approximate required balance in the sinking fund as prescribed in the QSCB bond indenture document, to be funded in contributions, net of interest, is as follows for the next five years: June 30, 2022, \$2,794,869; 2023, \$3,077,902; 2024, \$3,368,078; 2025, \$3,665,576 and 2026, \$3,970,581.

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**

Farmerville, Louisiana

**Notes to the Financial Statements**

As of and for the Years Ended June 30, 2021 and 2020

During the year ended June 30, 2014, the School obtained interim financing with a local financial institution in anticipation of obtaining permanent financing from the United States Department of Agriculture – Rural Development (USDA) for the purpose of building a new school campus. The balance of the loan was repaid in June 2016 with proceeds from the issuance of a permanent loan from the USDA. The total amount of available USDA funding is \$18,000,000. The USDA loan is for the term of 40 years with payments beginning on July 13, 2016. The loan carries an interest rate of 2.875%. Future minimum payments on the USDA and QSCB loan are as follows:

	<u>USDA</u>	<u>QSCB</u>	<u>Total</u>
2022	\$ 282,511	-	\$ 282,511
2023	290,741	-	290,741
2024	297,950	-	297,950
2025	307,891	-	307,891
2026	316,860	-	316,860
Thereafter	<u>15,176,571</u>	<u>\$ 5,100,000</u>	<u>20,276,571</u>
	<u>\$16,672,524</u>	<u>\$ 5,100,000</u>	<u>\$ 21,772,524</u>

Changes in long-term debt were as follows for the year ended June 30, 2021:

	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2021</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
QSCB	\$ 5,100,000	\$ -	\$ -	\$ 5,100,000	-	\$ 5,100,000
USDA	<u>16,948,391</u>	<u>-</u>	<u>(275,867)</u>	<u>16,672,524</u>	<u>\$ 282,511</u>	<u>16,390,013</u>
Total	<u>\$22,048,391</u>	<u>\$ -</u>	<u>\$ (275,867)</u>	<u>\$21,772,524</u>	<u>\$ 282,511</u>	<u>\$21,490,013</u>

Changes in long-term debt were as follows for the year ended June 30, 2020:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2020</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
QSCB	\$ 5,100,000	\$ -	\$ -	\$ 5,100,000	-	\$ 5,100,000
USDA	<u>17,213,782</u>	<u>-</u>	<u>(265,391)</u>	<u>16,948,391</u>	<u>\$ 274,475</u>	<u>16,673,916</u>
Total	<u>\$22,313,782</u>	<u>\$ -</u>	<u>\$ (265,391)</u>	<u>\$22,048,391</u>	<u>\$ 274,475</u>	<u>\$21,773,916</u>

The School incurred \$534,646 and \$542,417 in interest expenses for the years ended June 30, 2021 and 2020, respectively.

**Note 11 LEASES**

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
Farmerville, Louisiana

**Notes to the Financial Statements**

As of and for the Years Ended June 30, 2021 and 2020

The School leases a building, an athletic facility, and certain equipment under the terms of various operating leases. The School recognized rental expenses of \$109,906 and \$98,651, respectively, for the years ended June 30, 2021 and 2020.

**Note 12 ALLOCATION OF EXPENSES**

Expenses were allocated between Program Services, Management and General, and Fundraising as follows for the year ended June 30, 2021:

	Program Service	Management and General	Fundraising	Total
Salaries and wages	\$ 4,516,115	\$ 243,817	\$ -	\$ 4,759,932
Employee benefits	1,800,287	95,947	-	1,896,234
Payroll taxes	64,001	12,579	-	76,580
Advertising and promotion	-	1,423	-	1,423
Amortization	-	13,180	-	13,180
Auditing	-	63,377	-	63,377
Other	66,710	-	-	66,710
Debt Service	-	-	-	-
Depreciation	657,791	41,944	-	699,735
Dues and Subscriptions	73,389	200	-	73,589
Food services	212,364	-	-	212,364
Information technology	3,299	739	-	4,038
Insurance	64,110	50,227	-	114,337
Interest	483,646	51,000	-	534,646
Legal	-	17,807	-	17,807
Materials and supplies	527,663	-	29,222	556,885
Miscellaneous	189,498	1,740	-	191,238
Occupancy (Maintenance)	430,828	-	-	430,828
Office expenses	54,007	10,279	-	64,286
Professional fees	378,684	23,825	-	402,509
Rentals and Leases	106,864	3,042	-	109,906
School Activity	6,471	32,575	-	39,046
Student transportation	582,923	-	-	582,923
Training	-	-	-	-
Travel	18,628	871	-	19,499
Utilities	166,502	-	-	166,502
<b>Total</b>	<b>\$ 10,403,780</b>	<b>\$ 664,572</b>	<b>\$ 29,222</b>	<b>\$ 11,097,574</b>

Depreciation and amortization were allocated between program services and management and general based upon the ratio of program services and management and general of total expenses (94% programs expenses and 6% management and general).

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
Farmerville, Louisiana

**Notes to the Financial Statements**  
As of and for the Years Ended June 30, 2021 and 2020

Expenses were allocated between Program Services, Management and General, and Fundraising as follows for the year ended June 30, 2020:

	Program Service	Management and General	Fundraising	Total
Salaries and wages	\$ 4,290,861	\$ 237,335	\$ -	\$ 4,528,196
Employee benefits	1,731,252	89,837	-	1,821,089
Payroll taxes	60,195	10,477	-	70,672
Advertising and promotion	-	4,978	-	4,978
Amortization	-	53,029	-	53,029
Auditing	-	60,990	-	60,990
Books and periodicals	84,313	-	-	84,313
Debt Service	-	1,352	-	1,352
Depreciation	624,294	-	-	624,294
Food services	208,066	-	-	208,066
Information technology	15,129	188	-	15,317
Insurance	53,332	49,985	-	103,317
Interest	491,417	51,000	-	542,417
Legal	-	19,799	-	19,799
Materials and supplies	413,230	-	44,793	458,023
Miscellaneous	128,414	1,247	-	129,661
Occupancy (Maintenance)	698,959	-	-	698,959
Office expenses	89,554	10,735	-	100,289
Professional fees	282,899	17,998	-	300,897
Rentals and Leases	94,450	4,201	-	98,651
School Activity	16,976	26,174	-	43,150
Student transportation	553,470	-	-	553,470
Training	897	-	-	897
Travel	39,438	2,211	-	41,649
<b>Total</b>	<b>\$ 9,877,145</b>	<b>\$ 641,535</b>	<b>\$ 44,793</b>	<b>\$ 10,563,473</b>

Depreciation and amortization and Interest expense were allocated between program services and management and general based upon the ratio of program services and management and general of total expenses (94% programs expenses and 6% management and general).

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**

Farmerville, Louisiana

**Notes to the Financial Statements**

As of and for the Years Ended June 30, 2021 and 2020

**Note 13 UNCERTAIN INCOME TAXES**

The School has adopted the provisions of FASB ASC 740 Accounting for Uncertainty in Income Taxes. The implementation of this topic had no impact on the statement of financial position or statement of activities.

**Note 14 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 31, 2022 the date the financial statements were available to be issued and determined that there are no events that are required to be disclosed.

## **OTHER INFORMATION**

**D'ARBONNE WOODS CHARTER SCHOOL**  
Farmerville, Louisiana

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

Executive Director: Heath Murry

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ 112,500
Benefits - Retirement	9,000
Benefits - Insurance	3,161
Benefits - Medicare	1,560
Reimbursements	20
Travel - Conferences	456



**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS  
AND UNIFORM GUIDANCE**



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

**Board of Directors  
D'Arbonne Woods Charter School, Inc.  
Farmerville, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **D'Arbonne Woods Charter School, Inc.** (a nonprofit organization, the School), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2022.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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.

**Board of Directors  
D'Arbonne Woods Charter School, Inc.  
Farmerville, Louisiana**

**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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Woodard & Associates*

**(A Professional Accounting Corporation)**  
Monroe, Louisiana

**March 31, 2022**



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

**Board of Directors  
D'Arbonne Woods Charter School  
Farmerville, Louisiana**

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

We have audited **D'Arbonne Woods Charter School, Inc.'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 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, D'Arbonne Woods 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.



**Board of Directors  
D'Arbonne Woods Charter School  
Farmerville, Louisiana**

**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.

*Woodard & Associates*

**(A Professional Accounting Corporation)**  
Monroe, Louisiana

**March 31, 2022**

**D'ARBONNE WOODS CHARTER SCHOOL**

Farmerville, Louisiana

**Schedule of Expenditures of Federal Awards**

For the year ended June 30, 2021

<u>Federal Grantor/Pass-through Grantor/Program Title/Cluster Title</u>	<u>Assistance Listing No.</u>	<u>Pass-Through Grantor ID No.</u>	<u>2021 Expenditures</u>
<b>Cash and Noncash Federal Awards</b>			
<b>United States Department of Agriculture</b>			
<i>Passed through Louisiana Department of Education</i>			
<b>Child Nutrition Cluster</b>			
Non Cash Assistance (Commodities)			
Commodity Supplemental Food Program	10.565	N/A	11,809
Cash Assistance			
School Breakfast Program	10.553A	N/A	69,117
National School Lunch Program	10.555A	N/A	227,426
<b>Total Child Nutrition Cluster</b>			<u>308,352</u>
<b>Total United States Department of Agriculture</b>			<u>308,352</u>
<b>United States Department of Education</b>			
<i>Passed through Louisiana Department of Education</i>			
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)			
Title I Part A Basic	84.010A	28-21-T1-m1	360,951
Title I Direct Student Services	84.010A	28-21-DSS-m1	6,036
Total Title I Grants to Local Educational Agencies			<u>366,987</u>
Special Education Cluster			
Special Education - Grants to States (IDEA, Part B)	84.027A	28-21-B1-m1	130,894
Special Education - Preschool Grants (IDEA Preschool)	84.173A	28-21-P1-m1	691
Total Special Education Cluster			<u>131,585</u>
Career and Technical Education - Basic Grants to States (Perkins V)			
Carl D. Perkins Career & Technical Education	84.048A	28-21-02-m1	26,708
Passed Through to Other Schools			121,934
Total Career and Technical Education- Basic Grants to States			<u>148,642</u>
Supporting Effective Instruction State Grants	84.367A	28-21-50-m1	4,521
COVID-19 Governor's Emergency Education Relief Fund	84.425C	28-20-GERF-m1	16,250
COVID-19 Elementary and Secondary School Emergency Relief Fund			
ESSERF - Incentive	84.425D	28-20-ESRI-m1	27,343
ESSERF - Formula	84.425D	28-20-ESRF-m1	198,761
ESSERT - Formula II	84.425D	28-21-ES2F-m1	308,885
Total COVID-19 Elementary and Secondary School Emergency Relief Fund			<u>534,989</u>
<b>Total United States Department of Education</b>			<u>1,202,974</u>
<b>Total Cash and Noncash Federal Awards</b>			<u>1,511,326</u>
<b>United States Department of Agriculture</b>			
Community Facilities Loans and Grants	10.780	Balance 7/1/2020	16,948,391
<b>Total United States Department of Agriculture</b>			<u>16,948,391</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>18,459,717</u></u>

See Notes to Schedule of Expenditures of Federal Awards

**D'ARBONNE WOODS CHARTER SCHOOL**

Farmerville, Louisiana

**Notes to the Schedule of Expenditures of Federal Awards**

June 30, 2021

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of D'Arbonne Woods Charter School, Inc. (the School) for the year ended June 30, 2021 and is presented on the accrual basis of accounting. The accrual basis of accounting recognizes revenues when they are earned and expenses when they are incurred.

**Note 2 - Reconciliation of Expenditure of U.S. Department of Agriculture Funds**

The *OMB Compliance Supplement* requires the balance at July 1, 2019 of the USDA Community Facilities Loans and Grants program be given as expenditures on the Schedule of Expenditures of Federal Awards while the Statements of Financial Positions at June 30, 2020 shows the year-end balance:

	Schedule of Expenditures of Federal Awards Balance July 1, 2020	Additions	Retirements	Statement of Financial Position Balance June 30, 2021
USDA	<u>\$ 16,948,391</u>	<u>\$ -</u>	<u>\$(275,867)</u>	<u>\$ 16,672,524</u>

**Note 3 - Indirect Cost Rate**

The School did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2021.

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
Farmerville, Louisiana

**Schedule of Findings and Questioned Costs**  
For the year ended June 30, 2021

**Section I – Summary of Auditor’s Results**

*Financial Statements:*

Type of Auditor’s Report Issued: Unqualified

Internal Control Over Financial Reporting:

Material Weakness(es) identified? \_\_\_Yes  X No

Significant deficiency(s) identified not considered to be material weaknesses? \_\_\_Yes  X None  
Noted

Noncompliance material to financial statements noted? \_\_\_Yes  X No

*Federal Awards:*

Internal Control Over Major Programs:

Material weakness(es) identified? \_\_\_Yes  X No

Significant deficiency(s) identified not considered to be material weakness(es)? \_\_\_Yes  X None  
Noted

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform  
Guidance? \_\_\_Yes  X No

*Major Programs:*

<b>Assistance Listing Numbers</b>	<b>Program Titles</b>
10.780	Community Facilities Loans and Grants
84.425	COVID-19 Elementary and Secondary School Emergency Relief Fund

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

Auditee qualified as low-risk auditee? \_\_\_Yes  X No

**Section II – Financial Statement Findings and Questioned Costs**

None reported.

**Section III – Federal Awards Findings and Questioned Costs**

None reported.



**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
Farmerville, LA

**Summary Status of Prior Year Findings**  
For the Year Ended June 30, 2021

The following is a summary of the status of the prior year management letter included with the Woodard & Associates audit report dated December 16, 2020, covering the examination of the financial statements of the D'Arbonne Woods Charter School, Inc. (the School) as of and for the year ended June 30, 2020.

**2020-001 Capital Assets**

**Conditions Found**

The School was unable to produce an inventory count of capital assets as is outlined in the School's procedures. Internal controls were in place over inventories but not operating as designed.

*Status:* Resolved.

**2020-002 Internal Controls over Journal Entries**

**Conditions Found**

Discrepancies between the School financials and the capital asset listing were caused by misclassifications including baseball and softball fields (\$80,001) and playground equipment (\$41,044). Also, cash receipts were posted to the cash account after the reconciliation of the cash account resulting in a discrepancy between the general ledger balance and the bank reconciliation.

*Status:* Resolved.

**2020-003 Misappropriation of Assets**

**Conditions Found**

A maintenance employee fraudulently misappropriated the School resources by attempting to sell extra playground equipment that was marked for disposal and used the School's monies to buy gasoline for the employee's personal vehicles. The sale of the disposed equipment was identified and reported to the Business Department. After investigation, the misappropriations of equipment and gasoline funds were identified. This led to the maintenance employee to be terminated and the misappropriation to be report to the Union Parish Sheriff's Office on August 10, 2020. The report has been drafted and the case has not been adjudicated as of the date of the Auditor's report.

The amount of misappropriation of funds are believed to be less than \$500. Additionally, the School Board notified the Louisiana Legislative Auditor on October 5, 2020 as required by Louisiana Revised Statute 24:523, but not in a timely manner.

*Status:* Resolved.



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## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the D'Arbonne Woods 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 the D'Arbonne Woods Charter School 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 Charter School is responsible for its performance and statistical data.

The Charter School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. 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 this 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 Source (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

**Comment:** No exceptions were noted as a result of applying agreed-upon procedures.

### **Class Size Characteristics (Schedule 2)**

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

**Comment: No exceptions were noted as a result of applying agreed-upon procedures.**

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

3. We obtained October 1<sup>st</sup> 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.

**Comment: No exceptions were noted as a result of applying agreed-upon procedures.**

### **Public School Staff Data: Average Salaries (NO SCHEDULE)**

4. We obtained June 30<sup>th</sup> 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).

**Comment: No exceptions were noted as a result of applying agreed-upon procedures.**

We were engaged by the 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 Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the 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.

*Woodard & Associates*  
(A Professional Accounting Corporation)  
Monroe, Louisiana

**March 31, 2022**

**D'ARBONNE WOODS CHARTER SCHOOL**  
**Farmerville, 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.

**D'ARBONNE WOODS CHARTER SCHOOL**  
**Farmerville, Louisiana**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**June 30, 2021**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 3,192,928	
Other Instructional Staff Activities	443,291	
Instructional Staff Employee Benefits	1,493,031	
Purchased Professional and Technical Services	23,814	
Instructional Materials and Supplies	251,571	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>                    </u>	\$ 5,404,635

Other Instructional Activities		32,949
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Pupil Support Services	286,770	
Less: Equipment for Pupil Support Services	<u>4,995</u>	
Net Pupil Support Services		281,775

Instructional Staff Services	275,912	
Less: Equipment for Instructional Staff Services	<u>                    </u>	
Net Instructional Staff Services		<u>275,912</u>

School Administration	186,130	
Less: Equipment for School Administration	<u>                    </u>	
Net School Administration		<u>186,130</u>

Total General Fund Instructional Expenditures		<u>\$ 6,181,401</u>
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Total General Fund Equipment Expenditures		<u>\$ 12,264</u>
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**Certain Local Revenue Sources**

Local Taxation Revenue:

Ad valorem Taxes

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 Taxes

Sales and Use Taxes - Gross	-
Total Local Taxation Revenue	<u>\$ -</u>

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	<u>\$ -</u>

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	<u>\$ -</u>

Nonpublic Textbook Revenue	\$ -
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Nonpublic Transportation Revenue	<u>\$ -</u>
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**D'ARBONNE WOODS CHARTER SCHOOL**  
**Farmerville, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2020**

<u>School Type</u>	<u>Class Size Range</u>									
	<u>1-20</u>		<u>21-26</u>		<u>27-33</u>		<u>34+</u>		<u>Total</u>	
	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>	<u>Number</u>
Elementary										
Elementary Activity Classes										
Middle/Jr. High										
Middle/Jr. High Activity Classes										
High										
High Activity Classes										
Combination	42.32%	102	55.19%	133	2.49%	6	0.00%	-	100.00%	241
Combination Activity Classes	68.00%	17	4.00%	1	12.00%	3	16.00%	4	100.00%	25
Total		<u>119</u>		<u>134</u>		<u>9</u>		<u>4</u>		<u>266</u>

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.