

SLAUGHTER COMMUNITY CHARTER SCHOOL
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Slaughter Community Charter School
Slaughter, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Slaughter Community Charter School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Slaughter Community Charter School as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules 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 Awards*, 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.

The Performance and Statistical Data Agreed Upon Procedures and Schedule of Compensation, Benefits and Other Payments to the School Leader are not a required part of the basic financial statements but are supplementary information required by Louisiana State Law. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2021, on our consideration of Slaughter Community Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Slaughter Community Charter School's internal control over financial reporting and compliance.



Daigrepoint & Brian, APAC
Baton Rouge, LA

September 23, 2021

**SLAUGHTER COMMUNITY CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash	\$ 1,867,198	\$ 1,915,645
Accounts receivable, net	463,867	317,550
Prepaid expenses	65,561	40,862
Total Current Assets	<u>2,396,626</u>	<u>2,274,057</u>
Property and Equipment		
Furniture and fixtures	234,476	118,156
Equipment	483,393	423,169
Buildings and land	9,157,400	9,157,400
Leasehold improvements	57,876	57,876
	<u>9,933,145</u>	<u>9,756,601</u>
Accumulated depreciation	<u>(1,255,669)</u>	<u>(940,807)</u>
Net Property and Equipment	8,677,476	8,815,794
Other Assets		
Restricted cash	99,802	62,376
Total Other Assets	<u>99,802</u>	<u>62,376</u>
Total Assets	<u><u>\$ 11,173,904</u></u>	<u><u>\$ 11,152,227</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 209,198	\$ 82,481
Accrued payroll	223,515	259,461
Current portion of long term debt - PPP	-	189,806
Current portion of long term debt - USDA	104,682	101,087
Total Current Liabilities	<u>537,395</u>	<u>632,835</u>
Long Term Liabilities		
PPP loan, net of current portion	-	235,994
USDA loan, net of current portion	7,430,245	7,535,000
Total Long Term Liabilities	<u>7,430,245</u>	<u>7,770,994</u>
Total Liabilities	7,967,640	8,403,829
Net Assets		
Net assets without donor restrictions	3,143,554	2,684,590
Net assets with donor restrictions	62,710	63,808
Total Net Assets	<u>3,206,264</u>	<u>2,748,398</u>
Total Liabilities and Net Assets	<u><u>\$ 11,173,904</u></u>	<u><u>\$ 11,152,227</u></u>

See accompanying notes and independent auditors' report.

**SLAUGHTER COMMUNITY CHARTER SCHOOL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Minimum Foundation Program	\$ 3,440,895	\$ -	\$ 3,440,895
Federal grants	156,915	-	156,915
Private grants	-	65,000	65,000
Contributions	4,098	-	4,098
Student activities	48,324	-	48,324
Athletic activities	51,699	-	51,699
Other income	33,288	-	33,288
PPP loan forgiveness	425,800	-	425,800
Changes in net assets restrictions:			
Released from restrictions	66,098	(66,098)	-
Total Revenues	4,227,117	(1,098)	4,226,019
EXPENSES			
Program services	3,057,061	-	3,057,061
Management and general	711,092	-	711,092
Total Expenses	3,768,153	-	3,768,153
CHANGE IN NET ASSETS	458,964	(1,098)	457,866
Net assets - beginning of year	2,684,590	63,808	2,748,398
Net assets - end of year	<u>\$ 3,143,554</u>	<u>\$ 62,710</u>	<u>\$ 3,206,264</u>

See accompanying notes and independent auditors' report.

**SLAUGHTER COMMUNITY CHARTER SCHOOL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Minimum Foundation Program	\$ 3,423,260	\$ -	\$ 3,423,260
Federal grants	60,987	-	60,987
Private grants	-	92,000	92,000
Contributions	5,640	-	5,640
Student activities	118,707	-	118,707
Athletic activities	103,010	-	103,010
Other income	46,464	-	46,464
Changes in net assets restrictions:			
Released from restrictions	<u>28,192</u>	<u>(28,192)</u>	<u>-</u>
Total Revenues	3,786,260	63,808	3,850,068
EXPENSES			
Program services	3,177,961	-	3,177,961
Management and general	<u>612,611</u>	<u>-</u>	<u>612,611</u>
Total Expenses	<u>3,790,572</u>	<u>-</u>	<u>3,790,572</u>
CHANGE IN NET ASSETS	(4,312)	63,808	59,496
Net assets - beginning of year	<u>2,688,902</u>	<u>-</u>	<u>2,688,902</u>
Net assets - end of year	<u><u>\$ 2,684,590</u></u>	<u><u>\$ 63,808</u></u>	<u><u>\$ 2,748,398</u></u>

See accompanying notes and independent auditors' report.

**SLAUGHTER COMMUNITY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Athletic activities	\$ 53,971	\$ 13,493	\$ 67,464
Curriculum materials and software	34,749	-	34,749
Depreciation	251,890	62,972	314,862
Employee benefits	443,739	91,545	535,284
Food service	122,427	-	122,427
Insurance	57,557	19,185	76,742
Interest expense	-	264,491	264,491
Legal and professional services	223,028	79,994	303,022
Office expense	6,027	6,027	12,054
Payroll taxes	23,295	1,046	24,341
Professional development	444	111	555
Rent	14,703	3,676	18,379
Repairs and maintenance	71,059	17,765	88,824
Salaries	1,395,923	97,652	1,493,575
Student activities	56,926	-	56,926
Supplies	54,451	42,039	96,490
Transportation	202,490	-	202,490
Utilities	44,382	11,096	55,478
	<u>\$ 3,057,061</u>	<u>\$ 711,092</u>	<u>\$ 3,768,153</u>

See accompanying notes and independent auditors' report.

**SLAUGHTER COMMUNITY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Athletic activities	\$ 96,771	\$ 24,193	\$ 120,964
Curriculum materials and software	24,032	-	24,032
Depreciation	262,148	65,537	327,685
Employee benefits	534,779	22,354	557,133
Equipment and furniture	1,226	305	1,531
Food service	48,352	-	48,352
Insurance	64,714	11,604	76,318
Interest expense	-	269,487	269,487
Janitorial	42,354	10,589	52,943
Legal	338	1,351	1,689
Payroll taxes	26,109	1,298	27,407
Professional development	32,770	-	32,770
Rent	15,418	3,855	19,273
Repairs and maintenance	36,182	9,045	45,227
Salaries	1,461,238	71,701	1,532,939
Student activities	108,837	-	108,837
Supplies	21,847	4,567	26,414
Technical and professional services	195,379	105,839	301,218
Telephone	8,650	2,162	10,812
Transportation	161,920	-	161,920
Utilities	34,897	8,724	43,621
	<u>\$ 3,177,961</u>	<u>\$ 612,611</u>	<u>\$ 3,790,572</u>

See accompanying notes and independent auditors' report.

**SLAUGHTER COMMUNITY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 457,866	\$ 59,496
<u>Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:</u>		
Depreciation	314,862	327,685
PPP loan forgiveness	(425,800)	-
(Increase) decrease in accounts receivable, net	(146,317)	60,528
(Increase) decrease in prepaid expenses	(24,699)	76
Increase (decrease) in accounts payable	126,717	(7,224)
(Decrease) increase in accrued payroll	(35,946)	51,755
Total adjustments	<u>(191,183)</u>	<u>432,820</u>
Net cash provided by operating activities	266,683	492,316
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	<u>(176,544)</u>	<u>(86,068)</u>
Net cash used in investing activities	(176,544)	(86,068)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on USDA loan	(101,160)	(97,685)
Draws on PPP loan	<u>-</u>	<u>425,800</u>
Net cash (used in) provided by financing activities	<u>(101,160)</u>	<u>328,115</u>
(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(11,021)	734,363
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	<u>1,978,021</u>	<u>1,243,658</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	<u>\$ 1,967,000</u>	<u>\$ 1,978,021</u>
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest during the year	<u>\$ 264,737</u>	<u>\$ 250,926</u>
RECONCILIATION OF CASH AND RESTRICTED CASH		
Cash	\$ 1,867,198	\$ 1,915,645
Restricted Cash - Reserve Fund	99,802	62,376
	<u>\$ 1,967,000</u>	<u>\$ 1,978,021</u>

See accompanying notes and independent auditors' report.

**SLAUGHTER COMMUNITY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

1. Summary of Significant Accounting Policies

(a) Organization

Slaughter Community Charter School (the School) was incorporated on September 2, 2009 as a non-profit corporation under the laws of the State of Louisiana. The School operates under a charter in East Feliciana Parish that expires June 30, 2023 and may be renewed for successive periods by the East Feliciana School Board. The school has grades 7th through 12th.

(b) Basis of Presentation

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

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

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

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

(c) Revenues

The School receives the majority of its revenue from the Minimum Foundation Program (MFP) which passes through the East Feliciana Parish School Board. The amount of the MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes. The School also receives federal and private sector funding. Federal funds are passed through the Louisiana Department of Education or the East Feliciana School Board. The allocation calculation is primarily based on the student enrollment at the School and is considered earned when received and is recognized as such.

The School also receives revenue in the form of student and athletic activities revenues. These revenues are collected from students who participate in social events and after school clubs. Additional revenue is received from patrons attending school sponsored sporting events. These funds are used to help cover the cost of hosting these events and provide compensation for teachers, chaperons, referees, or other personnel required to officiate or supervise these activities.

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

**SLAUGHTER COMMUNITY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

1. Summary of Significant Accounting Policies (continued)

(d) Property and equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to forty years. The School's policy is to capitalize renewals and betterments acquired for greater than \$2,500 and expense normal repairs and maintenance as incurred. Depreciation expense for the years ended June 30, 2021 and 2020 were \$314,862 and \$327,685, respectively.

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

(e) Cash and cash equivalents

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. During the year, cash may consist of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes.

(f) Restricted cash

Restricted cash balances consist of amounts credited to the School's bank accounts in compliance with debt terms and covenants. Restricted cash is more thoroughly discussed in the notes payable footnote below.

(g) Accounts Receivable

Accounts receivable represent amounts due under federal and state grant programs and, at times, contributions. The grant programs are reimbursable in nature and revenue is recognized as a receivable once the expenditures are incurred.

Receivables are written off when deemed uncollectible by management and recoveries, if any, are recorded when received.

(h) Functional Expenses

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

(i) Use of Estimates

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

**SLAUGHTER COMMUNITY CHARTER SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

1. Summary of Significant Accounting Policies (continued)

(j) Income Taxes

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

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

2. Concentrations

The School receives the majority of its operating revenue from the State of Louisiana and East Feliciana Parish School Board in the form of Minimum Foundation Program (MFP) funding. The School also receives funding from federal and state agencies under various programs and private foundations. The percentage of revenue and receivables in excess of 10% from these sources is as follows:

Fiscal Year 2021	Revenue	Receivables
MFP	81%	92%
PPP loan forgiveness	10%	N/A
Fiscal Year 2020	Revenue	Receivables
MFP	97%	100%

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The School maintains cash in financial institutions which often exceed the FDIC limits. Management does not believe that it is exposed to any significant credit risk on uninsured amounts.

3. Commitments and Contingencies

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

The School has received funds from the United States Department of Agriculture for the purposes of the purchase of newly constructed school facilities. This loan is subject to audit or review for certain compliance and other requirements as outlined in the Uniform Guidance and the terms of the loan. Such audit or review could lead to reimbursement of funds or cancellation of the loan based on the number and severity of any noncompliance findings. It is the opinion of management that it is operating in compliance with the terms of the requirements as outlined in the Uniform Guidance and the terms of the loan and that any disallowed costs or noncompliance findings will be negligible, if any. As such, no provision has been recorded in the accompanying financial statements for any such contingencies.

**SLAUGHTER COMMUNITY CHARTER SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

4. Compensated Absences

For those eligible the School will pay out a maximum of four days of unused vacation upon termination. At June 30, 2021 and 2020 there was a total of \$72,818 and \$91,819, respectively accrued for unused vacation.

5. Retirement Plan

The School offers a retirement benefit plan with the Teacher's Retirement System of Louisiana (TRSL) for employees that are eligible to participate and operates as a defined benefit contribution pension plan. TRSL issues its own separate financial statements and supplementary information which are publicly available and can be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana
 Post Office Box 94123
 Baton Rouge, LA 70804-9123
 (225) 925-6446

Benefits vest after five years of service for participants age sixty or older and after 20 years of service for all other participants. Benefits under the plan are established and amended by state statute. Retirement benefits are based upon the employee's age, last three years of compensation, and the total number of years the participant was contributing to the TRSL. Once participants reach retirement age a total of eight different payout options are available. The plan also provides death and disability benefits for surviving spouses or disabled employees.

The School and all participating employees are required by state statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plan are as follows:

	<u>Employee</u>	<u>Employer</u>
Fiscal Year 2020	8.00%	26.00%
Fiscal Year 2021	8.00%	25.80%

The School's contributions for the years ended June 30, 2021 and 2020 were \$343,359 and \$359,679, respectively.

6. Net Assets with Donor Restrictions

For the school year ended June 30, 2021 and 2020, the School received grants of \$65,000 and \$92,000, respectively from the Pennington Foundation with the restriction that the funds be used for the School's permanent facility, wireless projector connectivity, outdoor fields, and technology and facility improvements. During the years ended June 30, 2021 and 2020, the School spent \$66,098 and \$28,192, respectively, of the grant for its intended purpose leaving Net Assets with Donor Restrictions of \$62,710 at June 30, 2021 and \$63,808 at June 30, 2020.

7. Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through September 23, 2021, which is the date the financial statements were available to be issued.

**SLAUGHTER COMMUNITY CHARTER SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

8. Notes Payable

USDA Loan

In FY18, the School paid their construction loan with funds from the United States Department of Agriculture (USDA) through the Rural Development program. This program is designed to help improve the economy and quality of life in rural America. Under this program, USDA promotes economic development by supporting loans to businesses through banks, credit unions and community-managed lending pools.

As part of the loan agreement with the USDA the School is required to establish and maintain a debt and maintenance service reserve fund. This reserve is to be funded by making a payment equal to 10% of the monthly note payment until the reserve reaches a balance of \$374,256. Restricted cash for the reserve fund consists of one bank account. The balance of the reserve fund as of June 30, 2021 and 2020 was \$99,802 and \$62,376, respectively.

The total available funds under this Program were \$7,797,000 with the full amount having been advanced. Regular loan payments of principal and interest began on November 28, 2018. This loan is scheduled to be repaid over a period of 40 years at an interest rate of 3.50%. This loan is secured by the building and land purchased with the funds. Obligations for this loan for the next five years and thereafter are as follows:

2022	\$ 104,682
2023	108,406
2024	112,261
2025	116,254
2026	120,389
Thereafter	6,972,935
	<u>\$ 7,534,927</u>

PPP Loan

During fiscal year 2020 the School received a Payroll Protection Program (PPP) loan from the SBA in the amount of \$425,800. The purpose of this loan was to maintain payroll and other operating expenses during the COVID-19 pandemic. The terms of the loan allow for the amount to be forgiven in full if the funds are used for payroll and certain operating expenses. Terms for forgiveness were substantially met with the full balance being recorded as revenue as of June 30, 2021.

9. Risk and Uncertainties

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

**SLAUGHTER COMMUNITY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

9. Risk and Uncertainties (continued)

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the responses to curb its spread, the School is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

10. Liquidity and Availability of Financial Assets

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

Financial Assets at Year End	2021	2020
Cash	<u>\$ 1,867,198</u>	<u>\$ 1,915,645</u>
Accounts receivable, net	<u>463,867</u>	<u>317,550</u>
	<u>2,331,065</u>	<u>2,233,195</u>
Unavailable for General Expenditures		
Net Assets with Donor Restrictions	<u>62,710</u>	<u>63,808</u>
Financial Assets Available For General Expenditures	<u><u>\$ 2,268,355</u></u>	<u><u>\$ 2,169,387</u></u>

As part of the School's liquidity management, cash is kept in a bank accounts that can be accessed to meet daily needs of the organization.

11. Reclassification

Certain amounts included in the prior year financial statements have been reclassified to conform to the current year presentation.

12. Prior Period Adjustment

An error resulting in the misstatement of financial statement categories as presented below in the June 30, 2020 financial statements were identified during the current year. The error was related to an overstatement of change in net assets without donor restrictions and accounts receivable, net due to the improper recognition of MFP funding in prior fiscal years. The effect of the restatement on the financial statements as of and for the year ended June 30, 2020 are summarized below:

	As Previously Stated	Adjustment	June 30, 2020 As Restated
Accounts receivable, net	\$ 417,298	\$ (99,748)	\$ 317,550
Net assets without donor restrictions	\$ 2,784,338	\$ (99,748)	\$ 2,684,590
MFP funding	\$ 3,446,614	\$ (23,354)	\$ 3,423,260

**SLAUGHTER COMMUNITY CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture:			
Community Facilities Loans and Grants	10.766	N/A	\$ 7,636,087
National School Lunch Program	10.555	N/A	<u>129,613</u>
Total U.S. Department of Agriculture			<u>7,765,700</u>
U.S. Department of Education:			
Passed Through East Feliciana School Board			
Title I Grants to Local Educational Agencies	84.010	N/A	<u>27,302</u>
Total Passed Through East Feliciana School Board			<u>27,302</u>
Total U.S. Department of Education			<u>27,302</u>
Total Expenditures of Federal Awards			<u><u>\$ 7,793,002</u></u>

**SLAUGHTER COMMUNITY CHARTER SCHOOL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal loan activity of Slaughter Community Charter School under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. U.S. Department of Agriculture Loans

The expenditures noted above for Rural Development comprise the loan balance of \$7,534,927 as of June 30, 2021.

4. Indirect Cost Rate

The School has elected not to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

**SLAUGHTER COMMUNITY CHARTER SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE SCHOOL LEADER
FOR THE YEAR ENDED JUNE 30, 2021**

School Leader	C. Ebey
Salary	\$ 63,981
Taxes	1,018
Benefits - retirement	21,793
	<u>\$ 86,792</u>

See accompanying notes and independent auditors' report.

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

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

Board of Directors
Slaughter Community Charter School
Slaughter, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Slaughter Community Charter School (a non-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statement 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 September 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Slaughter Community Charter 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 Slaughter Community Charter 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 the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Slaughter Community Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Daigrepont & Brian APAC

Daigrepont and Brian, APAC
Baton Rouge, LA

September 23, 2021

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

To the Board of Directors
Slaughter Community Charter School
Slaughter, LA

Report on Compliance for Each Major Federal Program

We have audited Slaughter Community Charter School (a non-profit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Slaughter Community Charter School's major federal programs for the year ended June 30, 2021. Slaughter Community Charter School's major federal programs are identified in the summary of auditors' 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 program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Slaughter Community Charter 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 Slaughter Community Charter 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 on Slaughter Community Charter School's compliance.

Opinion on Each Major Federal Program

In our opinion Slaughter Community 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 its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Slaughter Community Charter 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 Slaughter Community Charter 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 our 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 Slaughter Community Charter 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 the internal control over compliance that might be significant deficiencies or material weaknesses. 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.



Daigrepoint & Brian, APAC
Baton Rouge, LA

September 23, 2021

**SLAUGHTER COMMUNITY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

We have audited the financial statements of Slaughter Community Charter School, as of June 30, 2021, and for the year then ended, and have issued our report thereon dated September 23, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of the Uniform Guidance. Our audit of the financial statements as of June 30, 2021 resulted in an unqualified opinion.

Summary of Auditors' Reports

A. Identification of Major Programs

CFDA Number	Name of Federal Program
10.766	Community Facilities Loans and Grants

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

Is the auditee a 'low risk' auditee as defined by the Uniform Yes X No

B. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control			
Material Weaknesses	Yes	No	<u> X </u>
Significant Deficiencies	Yes	No	<u> X </u>

Compliance			
Compliance Material to Financial Statements	Yes	No	<u> X </u>

C. Report on Each Major Federal Program and on Internal Control Over Compliance

Internal Control			
Material Weaknesses	Yes	No	<u> X </u>
Significant Deficiencies	Yes	No	<u> X </u>

Type of Opinion on Compliance for Major Programs Unmodified

Are there findings required to be reported in accordance with the Yes No X

Findings - Financial Statement Audit

There are no findings for the year ended June 30, 2021

Questioned Costs

There are no questioned costs for the year ended June 30, 2021

**SLAUGHTER COMMUNITY CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

Summary of Prior Audit Findings

There were no audit findings for the year ended June 30, 2020.

Summary of Prior Questioned Costs

There were no questioned cost for the year ended June 30, 2020.

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Slaughter Community Charter School
Slaughter, LA

We have performed the procedures enumerated below, which were agreed to by the management of Slaughter Community Charter School and the Legislative Auditor, State of Louisiana, on the performance and statistical data accompanying the annual financial statements of Slaughter Community Charter School for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education in compliance with Louisiana Revised Statute 24:514.1. Management of Slaughter Community Charter School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

Procedure #1

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

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

Results of Procedure #1

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

Class Size Characteristics (Schedule 2)

Procedure #2

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

Results of Procedure #2

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

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

Procedure #3

We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing.

Results of Procedure #3

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

Public School Staff Data: Average Salaries (No Schedule)

Procedure #4

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

Results of Procedure #4

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

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Slaughter Community Charter School, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Daigrepoint & Brian, APAC
Baton Rouge, LA

September 23, 2021

SLAUGHTER COMMUNITY CHARTER SCHOOL
SLAUGHTER, LA

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. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Slaughter Community Charter School
Slaughter, LA**

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

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$1,146,720	
Other Instructional Staff Activities	10,689	
Instructional Staff Employee Benefits	441,087	
Purchased Professional and Technical Services	39,993	
Instructional Materials and Supplies	147,077	
Instructional Equipment	89,368	
Total Teacher and Student Interaction Activities		\$1,874,934
Other Instructional Activities		-
Pupil Support Activities	116,515	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		116,515
Instructional Staff Services	48,068	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		48,068
School Administration	353,851	
Less: Equipment for School Administration	-	
Net School Administration		353,851
Total General Fund Instructional Expenditures (Total of Column B)		\$2,393,368

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

**Slaughter Community Charter School
Slaughter, LA**

**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
Elementary								
Elementary Activity Classes								
Middle/Jr. High	100%	36						
Middle/Jr. High Activity Classes	92%	12					8%	1
High	91%	68	9%	7				
High Activity Classes	100%	19						
Combination								
Combination Activity Classes								

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

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