

JCFA
NEW ORLEANS, LOUISIANA
COMBINING FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Governance of
JCFA
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combining financial statements of JCFA (a nonprofit corporation), which comprise the combining statements of financial position as of June 30, 2022 and 2021, and the related combining statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combining financial statements.

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the financial position of JCFA as of June 30, 2022 and 2021, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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



To the Board of Governance of
JCFA
New Orleans, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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



To the Board of Governance of
JCFA
New Orleans, Louisiana

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combining financial statements as a whole. The supplementary information contained in the schedule of compensation, benefits, and other payments to agency head (Schedule “1”), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is also not a required part of the combining financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the combining 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 combining 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 consolidated 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 on our consideration of JCFA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JCFA’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JCFA’s internal control over financial reporting and compliance.

October 31, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

JCFA
COMBINING STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022

	<u>CMO</u>	<u>West Bank</u>	<u>East Bank</u>	<u>Lafayette</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>					
Cash and cash equivalents	\$ 158,484	\$ 60,194	\$ 343,552	\$ 29,240	\$ 591,470
Grants receivable	-	230,935	117,918	75,994	424,847
Prepaid expenses	4,097	-	1,300	11,727	17,124
	<u>162,581</u>	<u>291,129</u>	<u>462,770</u>	<u>116,961</u>	<u>1,033,441</u>
<u>PROPERTY AND EQUIPMENT:</u>					
Computers	-	120,227	73,194	15,370	208,791
Software	-	19,101	-	-	19,101
Furniture and fixtures	3,642	-	5,537	10,647	19,826
Leasehold improvements	-	15,650	95,899	-	111,549
Vehicles	-	27,050	-	-	27,050
Accumulated depreciation	(3,642)	(160,838)	(164,419)	(23,260)	(352,159)
	<u>-</u>	<u>21,190</u>	<u>10,211</u>	<u>2,757</u>	<u>34,158</u>
Total property and equipment, net	<u>-</u>	<u>21,190</u>	<u>10,211</u>	<u>2,757</u>	<u>34,158</u>
Total assets	<u>\$ 162,581</u>	<u>\$ 312,319</u>	<u>\$ 472,981</u>	<u>\$ 119,718</u>	<u>\$ 1,067,599</u>
<u>CURRENT LIABILITIES:</u>					
Accounts payable	\$ 1,742	\$ 10,920	\$ 16,251	\$ 5,785	\$ 34,698
Accrued expenses	6,739	44,308	52,827	20,889	124,763
	<u>8,481</u>	<u>55,228</u>	<u>69,078</u>	<u>26,674</u>	<u>159,461</u>
Total current liabilities	<u>8,481</u>	<u>55,228</u>	<u>69,078</u>	<u>26,674</u>	<u>159,461</u>
Total liabilities	<u>8,481</u>	<u>55,228</u>	<u>69,078</u>	<u>26,674</u>	<u>159,461</u>
<u>NET ASSETS:</u>					
Without donor restrictions	154,100	257,091	403,903	93,044	908,138
With donor restrictions	-	-	-	-	-
	<u>154,100</u>	<u>257,091</u>	<u>403,903</u>	<u>93,044</u>	<u>908,138</u>
Total net assets	<u>154,100</u>	<u>257,091</u>	<u>403,903</u>	<u>93,044</u>	<u>908,138</u>
Total liabilities and net assets	<u>\$ 162,581</u>	<u>\$ 312,319</u>	<u>\$ 472,981</u>	<u>\$ 119,718</u>	<u>\$ 1,067,599</u>

JCFA
COMBINING STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021

	<u>CMO</u>	<u>West Bank</u>	<u>East Bank</u>	<u>Lafayette</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>					
Cash and cash equivalents	\$ 146,682	\$ 275,994	\$ 430,563	\$ 82,936	\$ 936,175
Grants receivable	-	172,572	90,915	4,451	267,938
Prepaid expenses	398	1,855	645	12,090	14,988
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Total current assets	147,080	450,421	522,123	99,477	1,219,101
<u>PROPERTY AND EQUIPMENT:</u>					
Computers	-	120,227	73,194	15,370	208,791
Software	-	19,101	-	-	19,101
Furniture and fixtures	3,642	-	5,537	10,647	19,826
Leasehold improvements	-	15,650	95,899	-	111,549
Vehicles	-	27,050	-	-	27,050
Accumulated depreciation	(3,623)	(154,435)	(159,488)	(18,704)	(336,250)
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Total property and equipment, net	19	27,593	15,142	7,313	50,067
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 147,099	\$ 478,014	\$ 537,265	\$ 106,790	\$ 1,269,168
<u>CURRENT LIABILITIES:</u>					
Accounts payable	\$ 2,499	\$ 15,665	\$ 18,979	\$ 5,273	\$ 42,416
Accrued expenses	10,500	54,387	59,336	24,503	148,726
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	12,999	70,052	78,315	29,776	191,142
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	12,999	70,052	78,315	29,776	191,142
<u>NET ASSETS:</u>					
Without donor restrictions	134,100	407,962	458,950	77,014	1,078,026
With donor restrictions	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	134,100	407,962	458,950	77,014	1,078,026
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Total liabilities and net assets	\$ 147,099	\$ 478,014	\$ 537,265	\$ 106,790	\$ 1,269,168

JCFA
COMBINING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	CMO			West Bank Campus		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE:</u>						
State and local public school funding	\$ -	\$ -	\$ -	\$ 779,752	\$ -	\$ 779,752
Federal grants	-	-	-	319,884	-	319,884
Other state funds	-	-	-	46,753	-	46,753
Contributions	3,261	-	3,261	-	-	-
Other income	743,209	-	743,209	382,619	-	382,619
Net assets released from restrictions	-	-	-	-	-	-
 Total revenue	 746,470	 -	 746,470	 1,529,008	 -	 1,529,008
<u>EXPENSES:</u>						
Program services:						
Special education program	61,952	-	61,952	70,201	-	70,201
Career and technical education	378	-	378	43,559	-	43,559
Other instructional programs	15,869	-	15,869	270,507	-	270,507
Pupil support services	1,204	-	1,204	205,273	-	205,273
Instructional staff services	213,764	-	213,764	14,233	-	14,233
School administration	64,990	-	64,990	223,924	-	223,924
Operation and maintenance of plant	39	-	39	490,063	-	490,063
Student transportation services	-	-	-	4,380	-	4,380
Food service	1,706	-	1,706	22,943	-	22,943
Depreciation	19	-	19	6,403	-	6,403
Management and general:						
General administration	230,643	-	230,643	38,542	-	38,542
Business services	-	-	-	289,851	-	289,851
Central services	135,906	-	135,906	-	-	-
 Total expenses	 726,470	 -	 726,470	 1,679,879	 -	 1,679,879
 Change in net assets	 20,000	 -	 20,000	 (150,871)	 -	 (150,871)
 Net assets, beginning of year	 134,100	 -	 134,100	 407,962	 -	 407,962
 Net assets, end of year	 \$ 154,100	 \$ -	 \$ 154,100	 \$ 257,091	 \$ -	 \$ 257,091

See accompanying NOTES TO FINANCIAL STATEMENTS

JCFA
COMBINING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	East Bank Campus			Lafayette Campus			Interfund Eliminations	2022 Combined Totals
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
REVENUE:								
State and local public school funding	\$ 1,878,431	\$ -	\$ 1,878,431	\$ 703,160	\$ -	\$ 703,160	\$ -	\$ 3,361,343
Federal grants	909,971	-	909,971	217,257	-	217,257	-	1,447,112
Other state funds	58,852	-	58,852	-	-	-	-	105,605
Contributions	15,000	-	15,000	175	-	175	-	18,436
Other income	172,468	-	172,468	118	-	118	(743,209)	555,205
Net assets released from restrictions	-	-	-	-	-	-	-	-
Total revenue	3,034,722	-	3,034,722	920,710	-	920,710	(743,209)	5,487,701
EXPENSES:								
Program services:								
Special education program	172,800	-	172,800	78,283	-	78,283	-	383,236
Career and technical education	71,917	-	71,917	5,871	-	5,871	-	121,725
Other instructional programs	838,947	-	838,947	208,583	-	208,583	-	1,333,906
Pupil support services	379,336	-	379,336	146,300	-	146,300	-	732,113
Instructional staff services	19,395	-	19,395	17,251	-	17,251	-	264,643
School administration	467,000	-	467,000	175,837	-	175,837	-	931,751
Operation and maintenance of plant	651,951	-	651,951	89,726	-	89,726	-	1,231,779
Student transportation services	9,962	-	9,962	3,981	-	3,981	-	18,323
Food service	22,872	-	22,872	15,541	-	15,541	-	63,062
Depreciation	4,931	-	4,931	4,556	-	4,556	-	15,909
Management and general:								
General administration	43,175	-	43,175	11,032	-	11,032	-	323,392
Business services	319,580	-	319,580	133,778	-	133,778	(743,209)	-
Central services	87,903	-	87,903	13,941	-	13,941	-	237,750
Total expenses	3,089,769	-	3,089,769	904,680	-	904,680	(743,209)	5,657,589
Change in net assets	(55,047)	-	(55,047)	16,030	-	16,030	-	(169,888)
Net assets, beginning of year	458,950	-	458,950	77,014	-	77,014	-	1,078,026
Net assets, end of year	\$ 403,903	\$ -	\$ 403,903	\$ 93,044	\$ -	\$ 93,044	\$ -	\$ 908,138

See accompanying NOTES TO FINANCIAL STATEMENTS

JCFA
COMBINING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	CMO			West Bank		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:						
State and local public school funding	\$ -	\$ -	\$ -	\$ 1,428,982	\$ -	\$ 1,428,982
Federal grants	-	-	-	201,099	-	201,099
Other state funds	-	-	-	49,787	-	49,787
Contributions	-	-	-	101,657	-	101,657
Other income	716,207	-	716,207	37,918	-	37,918
Net assets released from restrictions	-	-	-	-	-	-
Total revenue	<u>716,207</u>	<u>-</u>	<u>716,207</u>	<u>1,819,443</u>	<u>-</u>	<u>1,819,443</u>
EXPENSES:						
Program services:						
Special education program	32,823	-	32,823	117,146	-	117,146
Career and technical education	250	-	250	81,151	-	81,151
Other instructional programs	8,170	-	8,170	593,741	-	593,741
Pupil support services	708	-	708	257,205	-	257,205
Instructional staff services	212,437	-	212,437	12,783	-	12,783
School administration	4,154	-	4,154	286,979	-	286,979
Operation and maintenance of plant	10,736	-	10,736	222,005	-	222,005
Student transportation services	-	-	-	2,882	-	2,882
Food service	490	-	490	7,630	-	7,630
Depreciation	728	-	728	2,263	-	2,263
Management and general:						
General administration	175,664	-	175,664	30,106	-	30,106
Business services	-	-	-	279,321	-	279,321
Central services	270,047	-	270,047	467	-	467
Total expenses	<u>716,207</u>	<u>-</u>	<u>716,207</u>	<u>1,893,679</u>	<u>-</u>	<u>1,893,679</u>
Change in net assets	-	-	-	(74,236)	-	(74,236)
Net assets, beginning of year	<u>134,100</u>	<u>-</u>	<u>134,100</u>	<u>482,198</u>	<u>-</u>	<u>482,198</u>
Net assets, end of year	<u>\$ 134,100</u>	<u>\$ -</u>	<u>\$ 134,100</u>	<u>\$ 407,962</u>	<u>\$ -</u>	<u>\$ 407,962</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

JCFA
COMBINING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	East Bank			Lafayette			Interfund Eliminations	2021 Combined Totals
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
REVENUE:								
State and local public school funding	\$ 1,894,361	\$ -	\$ 1,894,361	\$ 716,082	\$ -	\$ 716,082	\$ -	\$ 4,039,425
Federal grants	352,635	-	352,635	93,969	-	93,969	-	647,703
Other state funds	36,288	-	36,288	-	-	-	-	86,075
Contributions	19,662	-	19,662	1,952	-	1,952	(96,329)	26,942
Other income	210	-	210	190	-	190	(716,207)	38,318
Net assets released from restrictions	-	-	-	-	-	-	-	-
Total revenue	2,303,156	-	2,303,156	812,193	-	812,193	(812,536)	4,838,463
EXPENSES:								
Program services:								
Special education program	142,413	-	142,413	33,032	-	33,032	-	325,414
Career and technical education	66,364	-	66,364	13,722	-	13,722	-	161,487
Other instructional programs	583,213	-	583,213	207,563	-	207,563	-	1,392,687
Pupil support services	295,435	-	295,435	145,904	-	145,904	-	699,252
Instructional staff services	66,306	-	66,306	4,425	-	4,425	-	295,951
School administration	379,048	-	379,048	157,754	-	157,754	-	827,935
Operation and maintenance of plant	205,237	-	205,237	101,320	-	101,320	-	539,298
Student transportation services	5,141	-	5,141	1,721	-	1,721	-	9,744
Food service	10,140	-	10,140	2,211	-	2,211	-	20,471
Depreciation	17,489	-	17,489	4,702	-	4,702	-	25,182
Management and general:								
General administration	37,083	-	37,083	9,141	-	9,141	-	251,994
Business services	404,298	-	404,298	128,917	-	128,917	(812,536)	-
Central services	258	-	258	200	-	200	-	270,972
Total expenses	2,212,425	-	2,212,425	810,612	-	810,612	(812,536)	4,820,387
Change in net assets	90,731	-	90,731	1,581	-	1,581	-	18,076
Net assets, beginning of year	368,219	-	368,219	75,433	-	75,433	-	1,059,950
Net assets, end of year	\$ 458,950	\$ -	\$ 458,950	\$ 77,014	\$ -	\$ 77,014	\$ -	\$ 1,078,026

JCFA
COMBINING STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30 2022

	CMO			West Bank		
	Program Services	Support Services	Total	Program Services	Support Services	Total
Salaries	\$ 256,064	\$ 206,147	\$ 462,211	\$ 554,794	\$ 19,207	\$ 574,001
Social security	17,839	12,543	30,382	34,709	190	34,899
Medicare	4,172	2,933	7,105	8,117	44	8,161
Unemployment	306	204	510	1,377	-	1,377
Retirement	24,210	16,492	40,702	29,290	-	29,290
Other benefits	20,646	11,487	32,133	49,196	-	49,196
Other professional services	6,284	30,260	36,544	62,465	388	62,853
Advertising	8,568	16,118	24,686	-	-	-
Travel	5,003	2,279	7,282	1,987	1,793	3,780
Supplies	8,073	2,170	10,243	36,000	40	36,040
Utilities	-	-	-	2,544	-	2,544
Rent	-	-	-	93,760	-	93,760
Insurance	-	58,293	58,293	1,611	(158)	1,453
Communication	3,120	5,845	8,965	62,508	1,200	63,708
Repairs and maintenance	-	-	-	377,700	-	377,700
Transportation	-	-	-	5,944	-	5,944
Food service management	1,368	1,628	2,996	15,816	96	15,912
Depreciation expense	19	-	19	6,403	-	6,403
Other	4,249	150	4,399	7,265	15,742	23,007
Total expenses	\$ 359,921	\$ 366,549	\$ 726,470	\$ 1,351,486	\$ 38,542	\$ 1,390,028

See accompanying NOTES TO FINANCIAL STATEMENTS

JCFA
COMBINING STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30 2022

	East Bank			Lafayette			2022		
	Program Services	Support Services	Total	Program Services	Support Services	Total	Program Services	Support Services	Total
Salaries	\$ 1,404,224	\$ 18,505	\$ 1,422,729	\$ 399,690	\$ -	\$ 399,690	\$ 2,614,772	\$ 243,859	\$ 2,858,631
Social security	81,644	1,147	82,791	22,939	-	22,939	157,131	13,880	171,011
Medicare	19,227	268	19,495	5,365	-	5,365	36,881	3,245	40,126
Unemployment	1,652	68	1,720	837	-	837	4,172	272	4,444
Retirement	82,899	-	82,899	18,069	-	18,069	154,468	16,492	170,960
Other benefits	113,979	-	113,979	34,596	-	34,596	218,417	11,487	229,904
Other professional services	65,687	87,993	153,680	84,533	13,745	98,278	218,969	132,386	351,355
Advertising	-	-	-	63	-	63	8,631	16,118	24,749
Travel	1,146	1,459	2,605	8,165	2,249	10,414	16,301	7,780	24,081
Supplies	76,888	-	76,888	17,611	221	17,832	138,572	2,431	141,003
Utilities	39,150	-	39,150	5,823	-	5,823	47,517	-	47,517
Rent	165,154	-	165,154	61,469	303	61,772	320,383	303	320,686
Insurance	-	248	248	4,008	-	4,008	5,619	58,383	64,002
Communication	111,639	16,576	128,215	34,827	6,432	41,259	212,094	30,053	242,147
Repairs and maintenance	441,162	-	441,162	14,338	-	14,338	833,200	-	833,200
Transportation	10,421	-	10,421	4,009	-	4,009	20,374	-	20,374
Food service management	12,735	-	12,735	12,472	27	12,499	42,391	1,751	44,142
Depreciation expense	4,931	-	4,931	4,556	-	4,556	15,909	-	15,909
Other	6,573	4,814	11,387	12,559	1,996	14,555	30,646	22,702	53,348
Total expenses	\$ 2,639,111	\$ 131,078	\$ 2,770,189	\$ 745,929	\$ 24,973	\$ 770,902	\$ 5,096,447	\$ 561,142	\$ 5,657,589

See accompanying NOTES TO FINANCIAL STATEMENTS

JCFA
COMBINING STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30 2021

	CMO			West Bank		
	Program Services	Support Services	Total	Program Services	Support Services	Total
Salaries	\$ 199,302	\$ 201,609	\$ 400,911	\$ 883,729	\$ 400	\$ 884,129
Social security	12,035	12,308	24,343	49,526	-	49,526
Medicare	2,815	2,886	5,701	11,633	-	11,633
Unemployment	428	285	713	2,534	-	2,534
Retirement	16,064	16,209	32,273	58,236	-	58,236
Other benefits	10,265	10,967	21,232	66,881	-	66,881
Other professional services	2,335	158,355	160,690	106,571	-	106,571
Advertising	6,788	7,960	14,748	-	-	-
Travel	3,820	1,639	5,459	3,550	310	3,860
Supplies	403	1,960	2,363	72,581	267	72,848
Utilities	-	-	-	16,715	-	16,715
Rent	-	-	-	115,091	-	115,091
Insurance	10,736	24,502	35,238	2,915	-	2,915
Communication	3,740	4,483	8,223	101,217	1,200	102,417
Repairs and maintenance	-	-	-	76,409	-	76,409
Transportation	-	-	-	2,882	-	2,882
Food service management	887	40	927	8,197	165	8,362
Depreciation expense	728	-	728	2,263	-	2,263
Other	150	2,508	2,658	2,855	28,231	31,086
	<u>270,496</u>	<u>445,711</u>	<u>716,207</u>	<u>1,583,785</u>	<u>30,573</u>	<u>1,614,358</u>
Total expenses	\$ 270,496	\$ 445,711	\$ 716,207	\$ 1,583,785	\$ 30,573	\$ 1,614,358

See accompanying NOTES TO FINANCIAL STATEMENTS

JCFA
COMBINING STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30 2021

	East Bank			Lafayette			2021		
	Program Services	Support Services	Total	Program Services	Support Services	Total	Program Services	Support Services	Total
Salaries	\$ 1,098,214	\$ 11,557	\$ 1,109,771	\$ 370,285	\$ 149	\$ 370,434	\$ 2,551,530	\$ 213,715	\$ 2,765,245
Social security	67,428	691	68,119	22,186	-	22,186	151,175	12,999	164,174
Medicare	15,995	161	16,156	5,275	-	5,275	35,718	3,047	38,765
Unemployment	2,598	172	2,770	1,187	-	1,187	6,747	457	7,204
Retirement	62,541	-	62,541	16,678	-	16,678	153,519	16,209	169,728
Other benefits	83,363	-	83,363	32,927	-	32,927	193,436	10,967	204,403
Other professional services	79,077	-	79,077	39,590	-	39,590	227,573	158,355	385,928
Advertising	-	-	-	-	-	-	6,788	7,960	14,748
Travel	4,976	1,554	6,530	5,281	226	5,507	17,627	3,729	21,356
Supplies	45,345	33	45,378	20,751	-	20,751	139,080	2,260	141,340
Utilities	24,368	-	24,368	4,073	-	4,073	45,156	-	45,156
Rent	106,008	-	106,008	74,435	-	74,435	295,534	-	295,534
Insurance	-	-	-	6,865	-	6,865	20,516	24,502	45,018
Communication	92,846	18,196	111,042	38,595	6,746	45,341	236,398	30,625	267,023
Repairs and maintenance	54,079	-	54,079	12,665	-	12,665	143,153	-	143,153
Transportation	5,501	-	5,501	1,828	-	1,828	10,211	-	10,211
Food service management	10,444	19	10,463	2,518	205	2,723	22,046	429	22,475
Depreciation expense	17,489	-	17,489	4,702	-	4,702	25,182	-	25,182
Other	514	4,958	5,472	12,513	2,015	14,528	16,032	37,712	53,744
Total expenses	\$ 1,770,786	\$ 37,341	\$ 1,808,127	\$ 672,354	\$ 9,341	\$ 681,695	\$ 4,297,421	\$ 522,966	\$ 4,820,387

See accompanying NOTES TO FINANCIAL STATEMENTS

JCFA
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>CMO</u>	<u>West Bank</u>	<u>East Bank</u>	<u>Lafayette</u>	<u>Interfund Eliminations</u>	<u>Combined Totals</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>						
Change in net assets	\$ 20,000	\$ (150,871)	\$ (55,047)	\$ 16,030	\$ -	\$ (169,888)
Adjustments to reconcile change in net assets to cash and cash equivalents from (used for) operating activities:						
Depreciation expense	19	6,403	4,931	4,556	-	15,909
Bad debt expense	-	941	317	315	-	1,573
(Increase) decrease in:						
Accounts receivable	-	(59,304)	(27,320)	(71,858)	-	(158,482)
Prepaid expenses	(3,699)	1,855	(655)	363	-	(2,136)
Increase (decrease) in:						
Accounts payable	(757)	(4,745)	(2,728)	512	-	(7,718)
Accrued expenses	(3,761)	(10,079)	(6,509)	(3,614)	-	(23,963)
Net cash from (used for) operating activities	<u>11,802</u>	<u>(215,800)</u>	<u>(87,011)</u>	<u>(53,696)</u>	<u>-</u>	<u>(344,705)</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>						
Capital expenditures	-	-	-	-	-	-
Net cash from (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	11,802	(215,800)	(87,011)	(53,696)	-	(344,705)
Cash and cash equivalents, beginning of year	<u>146,682</u>	<u>275,994</u>	<u>430,563</u>	<u>82,936</u>	<u>-</u>	<u>936,175</u>
Cash and cash equivalents, end of year	<u>\$ 158,484</u>	<u>\$ 60,194</u>	<u>\$ 343,552</u>	<u>\$ 29,240</u>	<u>\$ -</u>	<u>\$ 591,470</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

JCFA
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>CMO</u>	<u>West Bank</u>	<u>East Bank</u>	<u>Lafayette</u>	<u>Interfund Eliminations</u>	<u>2020</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>						
Change in net assets	\$ -	\$ (74,236)	\$ 90,731	\$ 1,581	\$ -	\$ 18,076
Adjustments to reconcile change in net assets to cash and cash equivalents from (used for) operating activities:						
Depreciation expense	728	2,263	17,489	4,702	-	25,182
Bad debt expense	-	-	-	-	-	-
(Increase) decrease in:						
Accounts receivable	14,526	(47,409)	90,792	34,792	-	92,701
Prepaid expenses	12,935	(349)	(645)	4,470	-	16,411
Increase (decrease) in:						
Accounts payable	(7,532)	9,571	5,968	(1,926)	-	6,081
Accrued expenses	200	50,742	53,943	21,850	-	126,735
Net cash from (used for) operating activities	<u>20,857</u>	<u>(59,418)</u>	<u>258,278</u>	<u>65,469</u>	<u>-</u>	<u>285,186</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>						
Capital expenditures	-	(27,050)	(14,943)	-	-	(41,993)
Net cash (used for) investing activities	<u>-</u>	<u>(27,050)</u>	<u>(14,943)</u>	<u>-</u>	<u>-</u>	<u>(41,993)</u>
Net increase (decrease) in cash and cash equivalents	20,857	(86,468)	243,335	65,469	-	243,193
Cash and cash equivalents, beginning of year	<u>125,825</u>	<u>362,462</u>	<u>187,228</u>	<u>17,467</u>	<u>-</u>	<u>692,982</u>
Cash and cash equivalents, end of year	<u>\$ 146,682</u>	<u>\$ 275,994</u>	<u>\$ 430,563</u>	<u>\$ 82,936</u>	<u>\$ -</u>	<u>\$ 936,175</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

JCFA
NOTES TO COMBINING FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

JCFA (the School) was created as a non-profit corporation under the laws of the State of Louisiana on January 27, 2010. The School applied to and received approval from the Jefferson Parish School Board to operate a Type I charter school commencing July 1, 2010. The current charter was renewed on July 1, 2020 for an additional three years expiring June 30, 2023. On October 19, 2011, the State Board of Elementary and Secondary Education (BESE) approved JCFA as an alternative school. The School is required to renew their status as an alternative school annually. In December 2012, JCFA applied to and received approval from BESE to operate a Type II charter school at a second location in Jefferson Parish, referred to as the East Bank Campus commencing July 1, 2013. The current contract was renewed on July 1, 2021 for an additional three years expiring June 20, 2024. In June 2017, JCFA applied to and received approval from BESE to operate a Type II charter school in Lafayette, Louisiana commencing July 1, 2017. The current contract was renewed on July 1, 2022 for an additional four years expiring June 30, 2026.

Basis of Accounting and Financial Reporting Framework

The combining financial statements of the School have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Financial Accounting Standards Board (FASB).

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the School is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. The School's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The School had no assets with donor restrictions as of June 30, 2022 and 2021.

JCFA
NOTES TO FINANCIAL COMBINING STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(1) **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation (continued)

As of June 30, 2022 and 2021, there were no net assets with donor restrictions nor were there any net assets released from restrictions.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

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

Receivables

Grants, notes, and other receivables are stated at the amount the School expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2022 and 2021, the combining financial statements do not include an estimate for an allowance for doubtful accounts since the School believes all receivables are collectable.

Property and Equipment

Property and equipment are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School. Depreciation is calculated using the straight-line method with useful lives of two to five years. Depreciation expense for the years ended June 30, 2022 and 2021 was \$15,909 and \$25,182, respectively.

JCFA
NOTES TO FINANCIAL COMBINING STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(1) **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property and Equipment (continued)

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

Revenue Recognition

The School's primary sources of funding are through the State Public School Fund and federal grants, as well as private donations. Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when otherwise earned under the terms of the grants.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. The School reports contributions of cash or other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the combining statement of activities.

Functional Expenses

The cost of program and supporting services has been summarized on a functional basis in the statements of activities. This requires the allocation of certain costs based on total program costs and estimates made by management. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and employee benefits have been allocated based on time and effort. Rent and depreciation have been allocated based on square footage. All other allocated expenses have been allocated based on actual expenses incurred.

JCFA
NOTES TO FINANCIAL COMBINING STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to income tax unless it has unrelated trade or business income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity’s financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2022 and 2021, the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2019 and later remain subject to examination by the taxing authorities.

New Accounting Pronouncement

During the year ended June 30, 2022, the School adopted FASB ASU No. 2020-07, *“Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.”* This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The adoption of this Update did not have a material impact on the schools combining financial statements.

Date of Management Review

Subsequent events have been evaluated through October 31, 2022, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the School’s financial assets as of June 30, 2022 and 2021, available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of the following:

	<u>2022</u>	<u>2021</u>
Cash	\$ 591,470	\$ 936,175
Grants receivable	<u>424,847</u>	<u>267,938</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,016,317</u>	<u>\$ 1,204,113</u>

As part of the School’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

JCFA
NOTES TO FINANCIAL COMBINING STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(3) GRANTS RECEIVABLES

Grants receivable as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Due from federal government	\$ 424,847	\$ 267,938
Total	\$ 424,847	\$ 267,938

(4) RETIREMENT PLAN

The School provides a 401(k) plan for all regular full-time employees. An employee becomes eligible to participate in the plan on the first day of the month following the date of hire. Contributions to the plan are made by way of pre-tax salary deferrals and are made at the sole discretion of the employee up to the maximum amount allowed by federal law. The School will make a matching contribution equal to two times the amount of the employee contribution up to a maximum of 8%, and all employees are immediately vested. For the year ended June 30, 2022 and 2021, the School recorded retirement contributions in the amount of \$170,960 and \$169,729, respectively.

(5) CONCENTRATIONS OF CREDIT RISK

The School maintains its cash balances in a financial institution. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At fiscal year end June 30, 2022 and 2021, there were uninsured deposits in the amount of \$343,399 and \$686,549, respectively.

Approximately 90% and 99% of the School's revenue was received from Federal and State grantors for the year ended June 30, 2022 and 2021, respectively.

(6) LEASE COMMITMENTS

The School entered into a commercial lease agreement for Building A at 475 Manhattan Boulevard, Gretna, Louisiana, under the terms of an operating lease expiring June 30, 2021. The lease was renewed for additional year from July 1, 2021 until June 30, 2022 for an annual rate of \$87,000. The lease was renewed for additional year from July 1, 2022 until June 30, 2023 for an annual rate of \$87,000.

The School entered into a commercial lease agreement to lease buildings at 3410 Jefferson Highway, Jefferson, Louisiana in July 1, 2015 to June 30, 2018 and was extended for additional three years to June 2021. The lease renewed for additional three years starting July 1, 2021 until June 30, 2024 for the monthly rental rate of \$8,333 for the 1st year and \$9,167 for the remaining two years thereafter.

JCFA
NOTES TO FINANCIAL COMBINING STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(6) LEASE COMMITMENTS (CONTINUED)

The School entered into a commercial lease agreement to lease certain land, building, facilities and improvements at 1501 Ambassador Caffery Parkway, Lafayette, Louisiana in May 2017 and has been extended until June 30, 2021 for a monthly rental rate of \$6,033 starting in April 1, 2020. As of May 2021, the lease has been extended for additional year until June 30, 2022, for a monthly rental price of \$5,000. As of June 28 2022, the lease has been extended for additional year until June 30, 2023, for a monthly rental price of \$5,000.

The School entered into a commercial lease agreement as of August 15, 2020 for the buildings at 2106 Deerfield Road, Terrytown, Louisiana under the terms of an operating lease expiring December 31, 2020. The lease was renewed on January 1, 2021 until June 30, 2025 for a monthly rental rate \$5,416 until June 30, 2021; \$5,750 from July 1, 2021 until June 30, 2023; and \$6,000 from July, 1, 2023 until June 30, 2025.

For the year ended June 30, 2022 and 2021, total rent expense amounted to \$305,003 \$285,489, respectively.

The future minimum lease payments under the above leases are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 326,004
2024	182,004
2025	<u>72,000</u>
Total	<u>\$ 580,008</u>

(7) GRANT PROGRAM CONTINGENCIES

The School participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2022 and 2021 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying combining financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the School.

JCFA
NOTES TO FINANCIAL COMBINING STATEMENTS (CONTINUED)
JUNE 30, 2022 AND 2021

(8) ECONOMIC DEPENDENCY

The School receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP) funding for the years ended June 30, 2022 and 2021 totaled \$3,361,343 and \$4,039,425, respectively. Funding was from various federal grants passed through the State of Louisiana for the years ended June 30, 2021 and 2020 totaled \$1,447,112 and \$647,703, respectively. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the School receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the School will receive in fiscal year 2023 relating to its grant awards.

(9) NEW ACCOUNTING PRONOUNCEMENTS

The FASB has issued Accounting Standards Update (Update) No. 2016-02, "*Leases*." This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. Deferring the effective date of Update No. 2016-02, the FASB has issued Update No. 2019-10, "*Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Lease (Topic 842)*." Update No. 2019-10 permits entities to apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2020, and to interim reporting periods within annual reporting periods beginning after December 15, 2021. The FASB further delayed the implementation date by one year through ASU 2020-05 "*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*." Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. The School plans to adopt this Update as applicable by the effective date.

(10) RECLASSIFICATIONS

Certain accounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on previously reported net income.

SUPPLEMENTARY INFORMATION

JCFA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

	Millie Harris, Executive Director
Time served	07/01/21 through 06/30/22
Salary	\$ 116,859
Benefits - insurance	5,777
Benefits - retirement	9,349
Reimbursements	4,238
Total compensation, benefits, and other payments	\$ 136,223

**OTHER REPORTING REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

**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**

To the Board of Governance of
JCFA
New Orleans, 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 combining financial statements of JCFA (a non-profit corporation), which comprise the combining statement of financial position as of June 30, 2022, and the related combining statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combining financial statements, and have issued our report thereon dated October 31, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combining financial statements, we considered JCFA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combining financial statements, but not for the purpose of expressing an opinion on the effectiveness of JCFA's internal control. Accordingly, we do not express an opinion on the effectiveness of the JCFA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Governance of
JCFA
New Orleans, Louisiana

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the JCFA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JCFA'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.

October 31, 2022
New Orleans, Louisiana

A handwritten signature in black ink that reads "Ericksen Krentel, LLP".

Certified Public Accountants

SINGLE AUDIT SECTION



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

To the Board of Governance of
JCFA
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited JCFA's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of JCFA's major federal programs for the year ended June 30, 2022. JCFA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, JCFA 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of JCFA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of JCFA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to JCFA's federal programs.



To the Board of Directors
JCFA
New Orleans, Louisiana

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on JCFA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about JCFA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding JCFA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of JCFA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 JCFA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



To the Board of Directors
JCFA
New Orleans, Louisiana

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

October 31, 2022
New Orleans, Louisiana

A handwritten signature in black ink that reads "Ericksen Krentel, LLP".

Certified Public Accountants

JCFA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	\$ 162,291
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	<u>\$ 57,934</u>
Total Special Education Cluster		57,934
Improving Teacher Quality State Grants	84.367	13,683
Comprehensive Literacy Development	84.371	25,543
Student Support and Academic Enrichment Program	84.424	20,488
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	397,446
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425U	<u>738,017</u>
Total Education Stabilization Fund		1,135,463
Career and Technical Education - Basic Grants to States	84.048	
Teacher and School Leader Incentive Grants	84.374	
 Total U.S. Department of Education		 <u>1,415,402</u>
 Total expenditures of federal awards		 <u>\$ 1,415,402</u>

(See Independent Auditors' Report)

JCFA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of JCFA under programs of the federal government for the year ended June 30, 2022. The information in the 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 JCFA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of JCFA.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Recognition

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2022.

(3) INDIRECT COST RATE

JCFA has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

JCFA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of JCFA.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of JCFA were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for JCFA expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were the Education Stabilization Fund (AL Nos. 84.425D and 84.425U).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. JCFA was determined not to be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2022.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the combining financial statements for the year ended June 30, 2022.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings related to major federal awards programs for the year ended June 30, 2022.

JCFA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

**I. INTERNAL CONTROL AND COMPLIANCE MATERIAL
TO THE FINANCIAL STATEMENTS**

Not applicable

**II. INTERNAL CONTROL AND COMPLIANCE MATERIAL
TO THE FEDERAL AWARDS**

Not applicable. Single audit not required for the year ended June 30, 2021.

III. MANAGEMENT LETTER

Not applicable

**SCHEDULES REQUIRED BY STATE LAW
(PERFORMANCE STATISTICAL DATA)**

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Governance of
JCFA
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of JCFA for the fiscal year ended June 30, 2022; 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 JCFA is responsible for its performance and statistical data.

JCFA 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 Sources
(Schedule 1)

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - a. Total General Fund Instructional Expenditures,
 - b. Total General Fund Equipment Expenditures,
 - c. Total Local Taxation Revenue,
 - d. Total Local Earnings on Investment in Real Property,
 - e. Total State Revenue in Lieu of Taxes,
 - f. Nonpublic Textbook Revenue,
 - g. Nonpublic Transportation Revenue.

Exceptions: None



To the Board of Governance of
JCFA

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.

Exceptions: None

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

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

Exceptions: One employee's education level was reported incorrectly, and one employee's experience level was reported incorrectly.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

Exceptions: None

We were engaged by JCFA 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.

To the Board of Governance of
JCFA

This report is intended solely to describe the scope and results of testing performed on the performance and statistical data accompanying the annual financial statements of the JCFA, as required by Louisiana Revised Statute 24:514.I, and for the information and use of JCFA, the Louisiana Department of Education, and the Louisiana Legislative Auditor. Accordingly, this report is not suitable for any other purpose and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

October 31, 2022
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

JCFA
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2022

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	<u>Column A</u>	<u>Column B</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom teacher salaries	\$ 538,363	
Other instructional staff salaries	92,199	
Instructional staff employee benefits	199,940	
Purchased professional and technical services	203,064	
Instructional materials and supplies	64,507	
Instructional equipment	<u>-</u>	
Total teacher and students interaction activities		\$ 1,098,073
Other instructional activities		-
Pupil support services	260,734	
Less: Equipment for pupil support services	<u>-</u>	
Net pupil support services		260,734
Instructional staff services	270,664	
Less: Equipment for instructional staff services	<u>-</u>	
Net instructional staff services		270,664
School administration	1,026,141	
Less: equipment for school administration	<u>-</u>	
Net school administration		1,026,141
Total general fund instructional expenditures (total of column B)		<u>\$ 2,655,612</u>
Total General fund equipment expenditures		<u>\$ -</u>
<u>CERTAIN LOCAL REVENUE SOURCES</u>		
Total local taxation revenue		<u>\$ -</u>
Total local earnings on investment in real property		<u>\$ -</u>
Total state revenue in lieu of taxes		<u>\$ -</u>
Nonpublic textbook revenue		<u>\$ -</u>
Nonpublic transportation revenue		<u>\$ -</u>

(See Independent Accountants' Report on Applying Agreed-Upon Procedures)

JCFA
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2022
AS OF OCTOBER 1, 2021

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary		-		-		-		-
Elementary/Activity Classes		-		-		-		-
Middle/Jr. High		-		-		-		-
Middle/Jr. High Activity Classes		-		-		-		-
High	99%	188	-	-	1%	2	0%	-
High Activity Classes	93%	14	-	-	-	-	7%	1
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.



JCFA
CORRECTIVE ACTION PLAN – BESE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2022

October 31, 2022

Louisiana Legislative Auditor

JCFA respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: July 1, 2021 – June 30, 2022

The exceptions from the BESE Agreed-Upon Procedures Report are discussed below:

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

Exceptions: One employee's education level was reported incorrectly, and one employee's experience level was reported incorrectly.

Management's Response to Exceptions: Management has noted and agrees with the above exceptions. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please call Millie Harris at (504) 410-3121.

Sincerely,



Signature

Executive Director
Title

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
JCFA
HARVEY, LOUISIANA
FOR THE YEAR ENDED
JUNE 30, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Governance of
JCFA

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. JCFA's management is responsible for those C/C areas identified in the SAUPs.

JCFA 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 C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its 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 attached in Schedule "1."

We were engaged by JCFA 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 applicable standards of *Government Auditing Standards*. 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 those C/C areas identified in the SAUPs. 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 JCFA 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 those C/C areas identified in the SAUPs, 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 LLA as a public document.

October 31, 2022
New Orleans, Louisiana


Certified Public Accountants

JCFA
AGREED-UPON PROCEDURES
JULY 1, 2021 – JUNE 30, 2022

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

JCFA
AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: The written policies and procedures entirely address the functions of budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, credit cards, travel and expense reimbursement, and ethics. Debt is not applicable as the Organization has no debt and sexual harassment is not applicable as the Organization is a charter school not subject to the sexual harassment law, R.S. 42:344. Information technology/disaster recovery/business continuity is not addressed.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

JCFA
AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

Results: Obtained the board committee meeting minutes for fiscal year. The board meets on a monthly basis and financial comparison of monthly and annual financial comparisons were discussed.

BANK RECONCILIATIONS

3. **Procedures:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. Bank reconciliations had no reconciling items outstanding for more than 12 months at the statement closing date. The reconciled balance for the final month of the fiscal period agrees to the general ledger.

COLLECTIONS

4. **Procedures:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5):
5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees responsible for cash collections do not share cash drawers/registers.

JCFA
AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

COLLECTIONS (CONTINUED)

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: The Organization has separate employees for collecting cash and reconciling cash documentation. The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger. The employee responsible for reconciling collections is not responsible for collecting cash.

- 6. **Procedures:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: The Organization has an insurance policy that covers theft and it was enforced during the fiscal period.

- 7. **Procedures:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.

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AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

COLLECTIONS (CONTINUED)

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: The related collection documentation was traced to deposit slips. The deposit slip total agrees to the actual deposit per the bank statement. Regular periodic deposits were made after collection. The actual deposit per the bank statement agreed to the general ledger.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

- 8. **Procedures:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5):
- 9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - f) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - g) At least two employees are involved in processing and approving payments to vendors.
 - h) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - i) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: The Organization had at least two employees involved in initiating a purchase request, approving a purchase, placing an order/making the purchase, and processing and approving payments to vendors. The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files. Either the employee responsible for signing checks mails the payment or gives the signed checks to another employee to mail who is not responsible for processing payments.

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AGREED-UPON PROCEDURES (CONTINUED)
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**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: The disbursements matched the related original invoice/billing statement. The disbursement documentation included evidence of segregation of duties.

CREDIT CARDS/DEBIT CARDS/P-CARDS

11. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: Obtained a listing of all active credit cards and representation the listing is complete.

12. **Procedures:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: The monthly statements were approved in writing. The Executive Director approved all monthly credit card statements. There were no finance charges and/or late fees assessed on the selected statements.

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AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

CREDIT CARDS/DEBIT CARDS/P-CARDS (CONTINUED)

13. **Procedure:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Each of the selected transactions were supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

14. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Each reimbursement agreed to the itemized receipt, contained supporting documentation of the business/public purpose, was reviewed and approved by someone other than the person receiving the reimbursement.

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AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

CONTRACTS

15. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with contract terms (e.g., if approval is required for any amendment, was approval documented)
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: The five sampled contracts were not required by law to be bid in accordance with the Louisiana Procurement Code or Public Bid Law. Each contract was approved by the governing board. There were no amendments to the contracts and all the payments agreed to the terms and conditions of the contract.

PAYROLL AND PERSONNEL

16. **Procedures:** Obtain a listing of employees and officials employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. **Procedures:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

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AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

PAYROLL AND PERSONNEL (CONTINUED)

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: Each employee selected had documentation of daily attendance and leave, supervisors approved the attendance and leave forms, any leave accrued or taken during the pay period is reflected in the cumulative leave records and the observed pay rate agreed to the authorized personnel file.

18. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employees' or officials' authorized pay rates in the employees' or officials' personnel files and agree the termination payment to entity policy.

Results: The termination payment calculations agreed to the hours, employee's cumulative leave record, and pay rate.

19. **Procedures:** Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: Obtained management's representation that all taxes, payroll taxes, retirement contribution, and employee benefit premiums had been paid and required forms were filed timely.

ETHICS

20. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: Each employee completed one hour of ethics training and received notification of changes to the Organization's ethics policy.

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AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

DEBT SERVICE

21. **Procedures:** Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results: Not applicable. The Organization did not issue bonds/notes during the fiscal period.

22. **Procedures:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Not applicable. For the one note selected, the Organization is not required by a debt covenant to maintain a reserve balance.

FRAUD

23. **Procedures:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: There were no misappropriations of public funds and assets during the fiscal period.

24. **Procedures:** Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: The Organization has posted the required notice on its premises and but not its website.

INFORMATION TECHNOLOGY/DISASTER RECOVERY/ BUSINESS CONTINUTY

25. **Procedures:** Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

JCFA
AGREED-UPON PROCEDURES (CONTINUED)
JULY 1, 2021 – JUNE 30, 2022

**INFORMATION TECHNOLOGY/DISASTER RECOVERY/BUSINESS CONTINUITY
(CONTINUED)**

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

- 26. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
- 27. **Procedures:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- 28. **Procedures:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results: The Organization as a charter school is not subject to the sexual harassment law, R.S. 42:344.



Louisiana Legislative Auditor

JCFA respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: July 1, 2021 – June 30, 2022

The exceptions from the Statewide Agreed-Upon Procedures Report are discussed below:

Written Policies and Procedures

Exceptions: None of the functions of disaster recovery/business continuity are addressed by the entity's written policies and procedures.

Fraud

Exceptions: The entity does not have posted on its website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Management's Response to Exceptions: Management has noted and agrees with the above exceptions. The Organization's website contains very minimal information as the Organization is in the process of overhauling the entire site. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please call Millie Harris at (504) 410-3121.

Sincerely,



Signature

Executive Director, JCFA

Title

Millie Harris, Executive Director
Leslie Leavoy, Board of Governance Chair

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