

**OUTREACH COMMUNITY DEVELOPMENT CORPORATION**  
**D/B/A J.S. CLARK LEADERSHIP ACADEMY**  
Opelousas, Louisiana

Financial Report

Year Ended June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Outreach Community Development Corporation  
d/b/a J.S. Clark Leadership Academy  
Opelousas, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Outreach Community Development Corporation, d/b/a J.S. Clark Leadership Academy (the Academy) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Academy and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 the Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head on page 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 28, 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, on our consideration of the Academy'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

### ***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana  
December 22, 2022

## **FINANCIAL STATEMENTS**

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY

Statement of Financial Position  
June 30, 2022

**ASSETS**

CURRENT ASSETS

Cash	\$ 1,381,487
Receivables:	
Federal grants	312,753
Other	911,399
Prepaid items	<u>83,362</u>
Total current assets	2,689,001

PROPERTY AND EQUIPMENT, NET 929,325

TOTAL ASSETS \$ 3,618,326

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES

Accounts payable	\$ 17,040
Funds held in custody for others	18,468
Accrued payroll and related liabilities	114,703
Accrued compensated absences payable	24,098
Current portion of capital lease obligations	21,417
Current portion of long-term debt	<u>56,576</u>
Total current liabilities	<u>252,302</u>

LONG-TERM LIABILITIES

Capital lease obligations, net of current portion	40,413
Long-term debt, net of current portion	<u>715,773</u>
Total long-term liabilities	<u>756,186</u>
Total liabilities	1,008,488

NET ASSETS

Without donor restrictions:	
Available for operations	2,514,692
Invested in property and equipment, net of related debt	<u>95,146</u>
Total net assets	<u>2,609,838</u>

TOTAL LIABILITIES AND NET ASSETS \$ 3,618,326

The accompanying notes are an integral part of this statement.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY

Statement of Activities  
Year Ended June 30, 2022

NET ASSETS WITHOUT DONOR RESTRICTIONS	
REVENUES AND SUPPORT	
Minimum Foundation Program	\$ 2,579,980
Contributions	1,424
Employee Retention Credit and other	<u>930,767</u>
Total revenues and support without donor restrictions	3,512,171
Net assets released from donor restrictions	<u>1,595,670</u>
TOTAL REVENUES, SUPPORT AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>5,107,841</u>
EXPENSES	
Program services:	
Instructional	2,118,361
Non-instructional	510,471
Support services:	
Management and general	<u>999,837</u>
TOTAL EXPENSES	<u>3,628,669</u>
Increase in net assets without donor restrictions	<u>1,479,172</u>
NET ASSETS WITH DONOR RESTRICTIONS	
REVENUES AND SUPPORT	
Federal grants:	
21st Century Community Learning Center	359,383
Achieve! ESSER II	6,400
Achieve! ESSER III	307,026
Achieve! Homeless ARP	5,427
Carl D. Perkins Secondary	37,461
CLSD K-5	81,160
CLSD 9-12	9,516
IDEA - Part B	55,285
IDEA - Setaside	9,738
Jobs for Americas Graduates	100,750
National School Lunch Program	278,743
Redesign 1003 (a)	87,215
Strong Start Incentive - ESSERF	11,528
Teacher and School Leader Incentive Grants	9,307
Title I Grants to Local Educational Agencies	143,121
Title IV Student Support and Academic Enrichment	10,727
State grants:	
Education Excellence	9,211
Uniforms and fees	<u>73,672</u>
TOTAL REVENUES AND SUPPORT WITH DONOR RESTRICTIONS	1,595,670
Net assets released from donor restrictions	<u>(1,595,670)</u>
Change in net assets with donor restrictions	<u>-</u>
INCREASE IN NET ASSETS	1,479,172
NET ASSETS AT BEGINNING OF YEAR	<u>1,130,666</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,609,838</u>

The accompanying notes are an integral part of this statement.



OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY

Statement of Functional Expenses  
Year Ended June 30, 2022

	<u>Program Services</u>		<u>Support Services</u>	<u>Total</u>
	<u>Instructional</u>	<u>Non- instructional</u>	<u>Management and General</u>	
Salary	\$ 1,288,006	\$ 94,217	\$ 442,436	\$ 1,824,659
Payroll taxes	93,705	5,406	30,057	129,168
Employee benefits	86,365	-	44,314	130,679
Technical and professional services	261,331	85,698	96,622	443,651
Materials and supplies	249,119	-	46,835	295,954
Food services	-	233,150	-	233,150
Depreciation	-	-	55,991	55,991
Transportation	103,852	92,000	-	195,852
Insurance	-	-	78,229	78,229
Small tools and equipment	24,666	-	29,969	54,635
Travel	6,205	-	12,470	18,675
Repairs and maintenance	-	-	54,402	54,402
Rent	-	-	2,449	2,449
Interest	-	-	32,784	32,784
Utilities	-	-	39,770	39,770
Other and miscellaneous	5,112	-	33,509	38,621
	<u>\$ 2,118,361</u>	<u>\$ 510,471</u>	<u>\$ 999,837</u>	<u>\$ 3,628,669</u>

The accompanying notes are an integral part of this statement.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY

Statement of Cash Flows  
Year Ended June 30, 2022

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	\$ 1,479,172
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	55,991
(Increase) decrease in-	
Federal grants receivable	(116,594)
Other receivables	(905,538)
Prepaid expenses	(65,867)
Increase (decrease) in -	
Accounts payable	(92,181)
Funds held in custody for others	1,218
Accrued payroll and related liabilities	(19,190)
Accrued compensated absences	3,109
Net cash provided by operating activities	<u>340,120</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Construction in progress	<u>(79,255)</u>
Net cash used by investing activities	(79,255)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal payments on line of credit	(89,000)
Principal payments on capital lease obligations	(11,051)
Principal payments on long-term debt	<u>(40,550)</u>
Net cash provided by financing activities	<u>(140,601)</u>

Net increase in cash	120,264
Cash at beginning of year	<u>1,261,223</u>
Cash at end of year	<u>\$ 1,381,487</u>

**SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTMENT  
AND FINANCING ACTIVITIES:**

Assets acquired through capital lease obligation	<u>\$ 41,486</u>
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**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Cash paid during the year for interest	<u>\$ 32,784</u>
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The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

Outreach Community Development Corporation was incorporated in January 2006, as a non-profit corporation under the laws of the State of Louisiana. The Louisiana State Board of Elementary and Secondary Education (BESE) granted the Corporation a Type 2 Charter to operate J.S. Clark Leadership Academy (the Academy), pursuant to Louisiana Revised Statute 17:3971 et seq. The charter was initially valid through June 2017 and has been extended to June 2025. BESE is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at their expiration or terminate the contract prior to expiration. The Academy's mission is to develop young adults through Project-Based Learning. The Academy started the 2021-2022 school year with approximately 280 students.

Basis of Accounting

The accompanying financial statements of the Academy have been prepared on the accrual basis of accounting which follows the recommendations of the Financial Accounting Standards Board in its Statement of Accounting Standards Codification No. 958-205, Not-for-Profit Entities – Presentation of Financial Statements.

Under FASB ASC 958-205, the organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Academy and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets without donor restrictions are resources available to support operations and not subject to donor or grantor restrictions.

*Net Assets with Donor Restrictions* – Net assets with donor restrictions are resources that are subject to donor-imposed or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. The Academy did not have any donor restricted net assets at June 30, 2022.

Revenue and Revenue Recognition

The Academy receives a significant portion of its revenue from the Louisiana State Department of Education and the United States Department of Education.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue is recognized when earned. Program service fees and payments under cost reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, 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 or the donor has explicitly released the restriction.

Revenue with and without Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Academy. The Academy receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statements of activities because the criteria for recognition under FASB ASC 958-605-25 have not been satisfied.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Exemption

The Academy is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Internal Revenue Service has determined that the Academy does not qualify as a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. However, should the Academy engage in activities unrelated to its exempt purpose, taxable income could result. The Academy had no material unrelated business income for the fiscal year under audit. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Accounting Standards Codification 740 (ASC 740) requires that a tax position be recognized or derecognized based on a "more than not" threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Academy has evaluated its tax positions and determined that it does not have any uncertain tax positions that meet the requirements of ASC 740. Accordingly, implementation of ASC 740 did not have any impact on the accompanying financial statements.

Fair Value of Financial Instruments

The Academy defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. Financial instruments included in the Academy's financial statements include cash and cash equivalents, receivables, prepaid expenses, accounts payable and accrued expenses. Unless otherwise disclosed in the notes to the financial statements, the carrying value of financial instruments is considered to approximate fair value due to the short-term maturity and characteristics of these instruments. None of the financial instruments are held for trading purposes.

Cash

For the purposes of the statement of cash flows, cash consists of cash on hand, demand deposit and savings accounts. The Academy typically maintains cash in local banks that may, at times, exceed Federal Deposit Insurance Corporation insurance limits of \$250,000. At June 30, 2022, the Academy had cash balances of \$1,160,263 that were uninsured. Management, however, believes the credit risk associated with these deposits is minimal.

Receivables

Receivables are stated at the amount management expects to collect. Based on payment the nature of the receivables, management considers all amounts to be collectible; therefore, no allowance was considered necessary as of June 30, 2022.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

All property and equipment are capitalized that have a cost or estimated cost of \$5,000 or more. Expenses for additions, major renewals, and betterments are capitalized. Expenses for maintenance and repairs are charged to expense as incurred. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as without donor restrictions unless the donor has restricted the donated assets for a specific purpose. Property acquired with grant funds are disposed of in accordance with grantor requirements. Depreciation is computed using the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	7 - 30
Furniture and equipment	3 - 7
Vehicles	5

Functional Allocation of Expenses

The Statement of Activities presents expenses of the Academy's operations functionally between instructional, non-instructional and management and general. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$1,668 for the fiscal year ended June 30, 2022.

Paid Time Off (PTO)

The Academy's PTO policy states instructional staff members can earn up to ten days of vacation and sick leave during the fiscal year, are not allowed to carryover unused vacation and sick days from year to year, and are not to be paid for unused vacation or sick days at employment termination. Therefore, no amounts have been accrued at year end related to instructional staff vacation and sick leave.

At June 30, 2022, the Academy had \$24,098 in accrued sick leave related to the Chief Executive Director, whose contract provides for payout of accrued sick leave upon termination.

Subsequent Events

Subsequent events were evaluated through December 22, 2022, which is the date the financial statements were available to be issued.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 2 AVAILABILITY AND LIQUIDITY

The following reflects the Academy's financial assets available for general use within one year as of June 30, 2022:

<u>Financial assets at year end:</u>	
Cash and cash equivalents	\$ 1,381,487
Federal grants receivable	312,753
Other receivables	911,399
Prepaid items	<u>83,362</u>
Total financial assets	2,689,001
<u>Less: those unavailable for general expenditures</u>	
<u>within one year, due to:</u>	
Restricted for debt repayment	<u>(77,993)</u>
Total financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 2,611,008</u></u>

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment acquired by the Academy are considered to be owned by the Academy. However, the State of Louisiana maintains the title to the property and equipment purchased in whole or in part under contracts/grants funded by the State of Louisiana. The State has the right to require the transfer of the property and equipment (including the title) to the State or to an eligible non-state party named by the State. Such transfer may occur at any time.

Property and equipment consisted of the following at June 30, 2022:

Assets not being depreciated:	
Land	\$ 90,000
Construction in progress	<u>352,001</u>
Total assets not being depreciated	442,001
Assets being depreciated:	
Building and improvements	745,249
Furniture and equipment	461,841
Vehicles	<u>32,450</u>
Total assets being depreciated	1,239,540
Less accumulated depreciation	<u>(752,216)</u>
Assets being depreciated, net	<u>487,324</u>
Total assets, net	<u><u>\$ 929,325</u></u>

Total depreciation expense for the fiscal year ended June 30, 2022 was \$55,991.



OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
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Opelousas, Louisiana

Notes to the Financial Statements

NOTE 3 PROPERTY AND EQUIPMENT (CONTINUED)

As of June 30, 2022, the Academy had capitalized equipment acquired through capital leases with a cost of \$358,422 and corresponding accumulated amortization of \$296,674. Amortization expense for these assets was \$32,543 for the year. Amortization is included in the calculation of depreciation expense.

NOTE 4 FEDERAL GRANTS RECEIVABLE

Federal grants receivable consisted of the following at June 30, 2022:

U.S. Department of Agriculture:	
Passed through the Louisiana Department of Education	\$ 3,071
U.S. Department of Education:	
Passed through the Louisiana Department of Education	<u>309,682</u>
	<u>\$ 312,753</u>

NOTE 5 FUNDS HELD IN CUSTODY

Collections from student activities are funds under the supervision of the Academy; however, these funds belong to the student body and are not available for use in operations. At June 30, 2022 the Academy held \$18,468 in an agency capacity.

NOTE 6 LINE OF CREDIT

The Academy has a variable interest rate (prime plus 1.75%, or 5.0%) revolving line of credit with a borrowing limit of \$220,000 and an outstanding balance of \$0 at June 30, 2022. The line of credit is payable on demand and is collateralized by the Academy's deposits held with the creditor's institution. The note was renewed on September 24, 2020 and set to mature on September 24, 2022. The note was renewed again after year-end. See Note 13 for more information.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 7 LONG-TERM DEBT

Long-term debt consisted of the following notes payable at June 30, 2022:

Note payable in the original amount of \$382,500, bearing interest at 4%, payable in monthly installments of \$2,840 through September 2019, and a balloon payment of \$282,613 in October 2019. The note was refinanced in January 2020 in the amount of \$276,813, bearing interest at 5.0%, payable in monthly installments of \$2,936 through December 2024, and a balloon payment of \$158,547 in January 2025. The mortgage is collateralized by real estate.

\$ 222,009

Note payable in the original amount of \$70,000, bearing interest at 6.25%, payable in monthly installments of \$515 through September 2023. The note is collateralized by real estate.

63,864

On March 9, 2020, the Academy entered into a secured note payable with the U.S. Small Business Administration to fund a construction project. The note is in the original amount of \$854,400, bearing interest at 2.75%, payable in monthly installments of \$3,552 through February 2050.

486,476

772,349

Less current portion

(56,576)

Long-term portion

\$ 715,773

Maturities of long-term debt are as follows:

2023	\$ 56,576
2024	118,008
2025	202,638
2026	32,161
2027	33,057
Thereafter	<u>329,909</u>
Total long-term debt	<u>\$ 772,349</u>

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 8 CAPITAL LEASE OBLIGATIONS

Capital lease obligations consisted of the following at June 30, 2022:

\$7,465 capital lease obligation, interest at 4% and due in monthly installments of \$168, including interest through March 2025.	\$ 5,268
\$11,865 capital lease obligation, interest at 4% and due in monthly installments of \$267, including interest through August 2024.	6,522
\$24,973 capital lease obligation, interest at 4% and due in monthly installments of \$562, including interest through October 2022.	2,325
\$27,684 capital lease obligation, interest at 4% and due in monthly installments of \$623, including interest through April 2023.	6,222
\$9,732 capital lease obligation, interest at 4% and due in monthly installments of \$219, including interest through March 2023.	1,975
\$41,486 capital lease obligation, interest at 3.89% and due in monthly installments of \$624, including interest through May 2028.	<u>39,518</u>
	61,830
Less current portion	<u>(21,417)</u>
Long-term portion	<u>\$ 40,413</u>

Future principal and interest payments on the capital leases are as follows:

2023	\$	23,399
2024		12,708
2025		9,435
2026		7,488
2027		7,488
Thereafter		<u>6,864</u>
		67,382
Less: interest payments		<u>(5,552)</u>
Total principal payments	\$	<u>61,830</u>

See Note 3 for the related property and equipment amounts.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 9 RETIREMENT PLAN

The Academy sponsors a 401(k) Plan which covers regular full-time employees of the Academy immediately upon employment. Participants are fully vested after three years of service. Employees may contribute up to the lesser of \$19,500 or 90% of includable compensation. Employer contributions are discretionary and amounted to \$18,318 for the year ended June 30, 2022.

NOTE 10 CONCENTRATIONS

The Academy receives the majority of its operating revenue from state and federal grants passed through the Louisiana Department of Education. The continuation of the Academy is contingent upon legislative appropriations or allocation of funds necessary to fulfill the requirements of the charter contract with the Board of Elementary and Secondary Education. If the legislature fails to appropriate sufficient monies for the continuation of the charter contract, or if such appropriation is reduced by veto of the governor or by any means provided in the appropriations act to prevent the total appropriations for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract. The contract shall terminate on the date of the beginning of the first fiscal year of which the funds are not appropriated. The percentage of revenue and receivables from these sources are as follows:

	Revenue	Receivables
Minimum foundation program	51%	61%
Federal grants	30%	36%

NOTE 11 LEASE COMMITMENT

On August 1, 2021, the Academy entered into several operating lease agreements for student transportation with a third-party vendor. These lease agreements are payable in twelve monthly installments for the term of the leases. The agreements require the Academy to provide liability and physical damage insurance coverage of the leased assets (school busses). The monthly rent under these obligations is \$8,000. The total rent paid during the year ended June 30, 2022 was \$96,000. The agreement was renewed on July 21, 2022 under the same terms. Future minimum lease payments for the year ending June 30, 2022 amount to \$96,000.

NOTE 12 PENDING LITIGATION

The Outreach Community Development Corporation is presently a defendant in a lawsuit arising from the acquisition of property and construction renovations related to the school gymnasium. The Corporation's legal counsel has reviewed the claims to evaluate the likelihood of an unfavorable outcome. It is the opinion of management, after conferring with legal counsel, that the liabilities, if any, which might arise from the lawsuit would not have a material adverse effect on the Academy's financial position.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 13 SUBSEQUENT EVENT

On November 14, 2022, the Academy renewed their revolving line of credit with a borrowing limit of \$220,000 which has a variable interest rate (prime or 7%), is payable on demand, and is collateralized by the Academy's deposits held with the creditor's institution. The note matures on November 14, 2024.

**SUPPLEMENTARY INFORMATION**

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head  
Year Ended June 30, 2022

Agency Head Name: Tiffanie Lewis

<u>Purpose</u>	<u>Amount</u>
Salary - Executive Director	\$ 146,130
Salary - Teachers Incentive Fund, Talent Pipeline	9,471
Salary - Achieve! ESSER III	5,000
Benefits - insurance	21,366
Benefits - dental	505
Benefits - vision	139
Benefits - short term disability	1,217
Benefits - retirement	3,212
Expense allowance	5,700
Travel allowance	4,500
Conference travel	<u>6,314</u>
Total	<u>\$ 203,554</u>

**INTERNAL CONTROL, COMPLIANCE,  
AND  
OTHER MATTERS**





OTHER LOCATIONS:

Eunice    Morgan City    Abbeville

Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

To the Board of Directors of  
Outreach Community Development Corporation  
d/b/a J.S. Clark Leadership Academy  
Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy (the Academy) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2022.

**Report on Internal Control over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

## ***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana  
December 22, 2022

Independent Auditor's Report on Compliance for each  
Major Program and on Internal Control over Compliance  
Required by the *Uniform Guidance*

The Board of Directors  
Outreach Community Development Corporation  
d/b/a J.S. Clark Leadership Academy  
Opelousas, Louisiana

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

***Opinion on Each Major Federal Program***

We have audited the Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy's (the Academy) 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 the Academy's major federal programs for the year ended June 30, 2022. The Academy'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, the Academy 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 standard 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 the Academy 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 the Academy'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 the Academy's federal programs.

### ***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 the Academy'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 the Academy'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 the Academy'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 the Academy'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 the Academy'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.

## **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 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.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Lafayette, Louisiana

December 22, 2022

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program Name	Grantor Project Number	Assistance Listing Number	Federal Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through the Louisiana Department of Education:			
Child Nutrition Cluster - School Breakfast Program		10.553	85,542
Child Nutrition Cluster - School Lunch Program		10.555	152,920
Child Nutrition Cluster - School Snack Program		10.555	16,306
Total Child Nutrition Cluster			<u>254,768</u>
Child and Adult Care Food Program		10.558	23,975
<b>Total U.S. Department of Agriculture</b>			<b><u>278,743</u></b>
<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>			
Passed through the Louisiana Department of Education:			
477 Cluster - Temporary Assistance for Needy Families		93.558	100,749
<b>Total U.S. Department of Health &amp; Human Services</b>			<b><u>100,749</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed through the Louisiana Department of Education:			
Special Education Cluster (IDEA)			
Individuals with Disabilities Education Act (IDEA) Part B 611	28-22-B1-vn	84.027A	55,106
Individuals with Disabilities Education Act (IDEA) Setaside		84.027A	9,739
Total Special Education Cluster (IDEA)			<u>64,845</u>
Education Stabilization Fund Program:			
Emergency and Secondary School Emergency Relief Fund (ESSERF) - Incentive		84.425D	11,528
Emergency and Secondary School Emergency Relief Fund (ESSERF) - II		84.425D	6,400
Emergency and Secondary School Emergency Relief Fund (ESSERF) - III Formula		84.425D	307,025
American Rescue Plan (ARP) Act - Achieve! Homeless		84.425D	5,427
Total Education Stabilization Fund Program			<u>330,380</u>
Title I Grants to Local Educational Agencies	28-22-T1-vn	84.010A	138,441
Title I Redesign 1003	28-21-RD-15	84.010	70,743
Title I Direct Student Services	28-22-DSS-vn	84.010A	4,679
Career and Technical Education - Carl Perkins Grant		84.048	37,461
21st Century Community Learning Center	28-20-2C-49	84.287C	359,383
Title IV Student Support and Academic Enrichment	28-22-71-vn	84.424A	10,727
Comprehensive Literacy Development (CLSD) K-5		84.371C	81,160
Comprehensive Literacy Development (CLSD) 9-12		84.371C	9,516
PBCS Teacher Incentive Fund		84-374A	9,307
<b>Total U.S. Department of Education</b>			<b><u>1,116,642</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 1,496,134</u></b>

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy (the Academy) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position or changes in net assets of the Academy.

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 4 INDIRECT COST RATE

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

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Summary Schedule of Prior Year Findings  
Year Ended June 30, 2022

2021-001 Noncompliance with the Louisiana Code of Governmental Ethics – Payments Resulting in Personal Economic Interest

Status: This finding has been resolved. No current year findings were noted.



OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Schedule of Findings and Responses  
Year Ended June 30, 2022

**Part 1: Summary of Auditor's Results**

**FINANCIAL STATEMENTS**

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy's financial statements as of and for the year ended June 30, 2022.

Deficiencies in Internal Control – Financial Reporting

There were no deficiencies in internal control over financial reporting noted during the audit.

Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit of the financial statements.

**FEDERAL AWARDS**

Auditor's Report – Major Programs

An unmodified opinion has been issued on Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy's compliance with the requirements of its major programs as of and for the year ended June 30, 2022.

Risk Consideration

The Academy was considered a low-risk auditee for the year ended June 30, 2022.

Major Programs – Identification:

21st Century Community Learning Centers (21<sup>st</sup> CCLC)                      CFDA 84.287C

Program Type Determination

The dollar threshold to distinguish between Type A and Type B programs was \$750,000 for the fiscal year ended June 30, 2022. The Academy had no Type A programs for the year.

Deficiencies in Internal Control – Major Programs

Our consideration of internal control over major programs disclosed no instances of internal control deficiencies.

Noncompliance – Major Programs

The results of our tests on compliance for each major program disclosed no instances of noncompliance.

**MANAGEMENT LETTER**

A management letter was not issued for the fiscal year ended June 30, 2022.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Schedule of Findings and Responses (Continued)  
Year Ended June 30, 2022

**Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards***

This section is not applicable for the year ended June 30, 2022.

**Part 3: Findings and Questioned Costs Relating to Federal Programs**

This section is not applicable for the year ended June 30, 2022.

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Management's Corrective Action Plan for Current Year Findings  
Year Ended June 30, 2022

This section is not applicable for the year ended June 30, 2022.

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

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

To the Board of Directors of  
Outreach Community Development Corporation  
d/b/a J.S. Clark Leadership Academy  
Opelousas, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy (the Academy) 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 24:514.1. Management of the Academy is responsible for its performance and statistical data.

The Academy has agreed 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 among the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

The Academy does not receive local taxation revenue, local earnings on investment in real property, state revenue in lieu of taxes, nonpublic textbook revenue, or nonpublic transportation revenue.

Exceptions Noted: None.

*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 Noted: None.

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

3. We obtained October 1 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.

Procedures indicated testing a random sample of 25 teachers. However, the Academy only employed 20 teachers as of October 1, 2021; therefore, we tested the entire population.

Exceptions Noted: None.

*Public School Staff Data: Average Salaries (No Schedule)*

4. We obtained June 30 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).

Procedures indicated testing a random sample of 25 teachers. However, the Academy only employed 20 teachers as of year-end; therefore, we tested the entire population.

Exceptions Noted: None.

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

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

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Academy, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 22, 2022

OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Schedule 1 – General Fund Instructional and Support  
Expenditures and Certain Local Revenue Sources  
For the Year Ended June 30, 2022

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 807,543	
Other Instructional Staff Activities	2,977	
Instructional Staff Employee Benefits	67,063	
Purchased Professional and Technical Services	32,161	
Instructional Materials and Supplies	48,685	
Instructional Equipment	<u>-</u>	
Total Teacher and Student Interaction Activities		\$ 958,429

Other Instructional Activities 113,516

Pupil Support Activities 18,051  
Less: Equipment for Pupil Support Activities -  
Net Pupil Support Activities 18,051

Instructional Staff Services -  
Less: Equipment for Instructional Staff Services -  
Net Instructional Staff Services -

School Administration 420,139  
Less: Equipment for School Administration -  
Net School Administration 420,139

Total General Fund Instructional Expenditures \$ 1,510,135

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Taxes	-
Debt Service Ad Valorem Taxes	-
Up to 1% of Collections by the Sheriff on Taxes Other Than School Taxes	-
Sales and Use Taxes	<u>-</u>
Total Local Taxation Revenue	<u>\$ -</u>

Local Earnings on Investments in Real Property:

Earnings from 16th Section Property	-
Earnings from Other Real Property	<u>-</u>
Total Local Earnings on Investment in Real Property	<u>\$ -</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	-
Revenue Sharing - Other Tax	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	<u>-</u>
Total State Revenue in Lieu of Taxes	<u>\$ -</u>

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

See Independent Accountant's Report on Applying Agreed-upon Procedures



OUTREACH COMMUNITY DEVELOPMENT CORPORATION  
D/B/A J.S. CLARK LEADERSHIP ACADEMY  
Opelousas, Louisiana

Schedule 2 – Class Size Characteristics  
As of October 1, 2021

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Elementary Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Middle/Jr. High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Middle/Jr. High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination	67.2%	43	31.3%	20	1.6%	1	0.0%	-
Combination Activity Classes	70.0%	7	30.0%	3	0.0%	-	0.0%	-

**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.

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

To the Board of Directors of the  
Outreach Community Development Corporation  
D/B/A J.S. Clark Leadership Academy  
and the Louisiana Legislative Auditor

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. The Outreach Community Development Corporation D/B/A J.S. Clark Leadership Academy (Academy's) management is responsible for those C/C areas identified in the SAUPs.

The Academy 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 to 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 as follows:

### ***Written Policies and Procedures***

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1. 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.  
*Written policies and procedures were obtained and address the functions noted above.*
  - 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.  
*Written policies and procedures were obtained and address the functions noted above.*
  - c) ***Disbursements***, including processing, reviewing, and approving.  
*Written policies and procedures were obtained and address the functions noted above.*

- 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).

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (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.

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above.

- 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).

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

This section is not applicable. The Academy is a non-profit entity.

### ***Board or Finance Committee***

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2. 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.  
*No exceptions noted.*
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarter budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds  
*No exceptions noted.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.  
*Not applicable.*

### ***Bank Reconciliations***

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3. Obtain a listing of client 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 account selected, and observe that:  
*Obtained listing of bank accounts from management and management's representation that the listing is complete.*
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);  
*No exceptions noted.*
  - 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  
*No exceptions noted.*
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
*No exceptions noted.*

### ***Collections (excluding electronic fund transfers)***

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4. 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).  
*Obtained listing of deposit sites and management's representation that the listing is complete.*

5. 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:

Obtained listing of collection locations from management and management's representation that the listing is complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

- 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.

No exceptions noted.

- 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.

No exceptions noted.

- 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 verifies the reconciliation.

No exceptions noted.

6. 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.

No exceptions noted.

7. 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.

No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe that 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).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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- 8. 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).

Listing of locations that process payments and management's representation that the listing is complete was obtained.

- 9. 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:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) 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.

No exceptions noted.

- d) 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.

No exceptions noted.

- 10. 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.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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- 11. 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.

Listing of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing is complete was obtained.

12. 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 that 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) was 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.)]

No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

13. 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 that 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.

No exceptions noted.

### **Travel and Travel-Related Expense Reimbursement**

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14. 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:

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 was obtained. Selected 5 reimbursements for testing.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

No exceptions noted.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

- 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).

No exceptions noted.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

### **Contracts**

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15. 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:

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

- 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.

Not applicable.

- 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).

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented.)

Not applicable.

- 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.

No exceptions noted.

### **Payroll and Personnel**

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16. 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/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Listing of employees and management's representation that the listing is complete was obtained. Authorized salaries/pay rates traced to personnel files without exception.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.



- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

No exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

18. 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 employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy

No exceptions noted.

19. Obtain management's representation that employer and employee portions of third party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted.

### **Ethics**

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

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Employees selected for testing completed required training during the fiscal period.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable.

### **Debt Service**

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

Not applicable.

22. 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).

No exceptions noted.

### **Fraud Notice**

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23. 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.

No misappropriations of public funds and assets noted.

24. 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.

Fraud notice is posted on the entity's premises and on their website.

### **Information Technology Disaster Recovery/Business Continuity**

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25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- 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.

This procedure is not applicable since all of the Academy's software is web-based.

- 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.

This procedure is not applicable since all of the Academy's software is web-based.

- 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.

This procedure is not applicable since all of the Academy's software is web-based.

### **Sexual Harassment**

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26. 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.

This section is not applicable. The Academy is a non-profit entity.

27. Observe 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).

This section is not applicable. The Academy is a non-profit entity.

28. 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 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;

*This section is not applicable. The Academy is a non-profit entity.*

- b) Number of sexual harassment complaints received by the agency;

*This section is not applicable. The Academy is a non-profit entity.*

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

*This section is not applicable. The Academy is a non-profit entity.*

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*This section is not applicable. The Academy is a non-profit entity.*

- e) Amount of time it took to resolve each complaint.

*This section is not applicable. The Academy is a non-profit entity.*

We were engaged by the Academy 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 the Academy 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.

## ***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 22, 2022