

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

Financial Statements  
and Independent Auditor's Report  
June 30, 2023

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

Financial Statements and Independent Auditor's Report  
Year Ended June 30, 2023

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

Financial Statements and Independent Auditor's Report  
Year Ended June 30, 2023

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### ***Opinion***

We have audited the financial statements of Bayou Community Academy, Inc. Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bayou Community Academy, Inc. Charter School as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bayou Community Academy's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

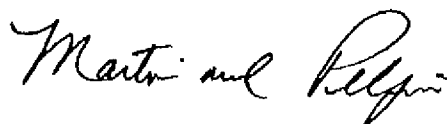
### ***Supplementary Information***

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

Other Payments to the Director on pages 17 and 18 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2023 on our consideration of Bayou Community Academy, Inc. Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Houma, Louisiana  
November 2, 2023

## **FINANCIAL STATEMENTS**

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

Statement of Financial Position  
June 30, 2023

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 1,673,156
Investments	12,632,245
Promises to give	793,838
Other receivable	172
Prepaid expenses	<u>72,331</u>

Total current assets 15,171,742

Property and equipment, net of accumulated depreciation  
of \$241,954 1,322,037

Intangible right-to-use lease asset, net 294,165

**TOTAL ASSETS** \$ 16,787,944

**LIABILITIES AND NET ASSETS**

Current liabilities:

Accounts payable	\$ 43,189
Retirement contributions payable	43
Accrued payroll	170,494
Payroll taxes payable	3,930
Deferred compensation	132,262
Compensated absences	30,347
Lease liability	<u>206,258</u>

Total current liabilities 586,523

Lease liability 87,907

Total liabilities 674,430

Net assets:

Without donor restrictions 16,113,514

**TOTAL LIABILITIES AND NET ASSETS** \$ 16,787,944

See accompanying notes.



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

Statement of Activities  
Year Ended June 30, 2023

	<b>Without Donor Restrictions</b>
<b>REVENUE, GRANTS, AND OTHER SUPPORT</b>	
Grants:	
State public school funding	\$ 5,371,883
Governmental grants	338,384
Other local sources	282,213
Fundraising	155,511
In-kind donations	22,331
	6,170,322
<b>EXPENSES</b>	
Program services	
Regular education programs	2,324,154
Special education programs	356,742
School administration	329,800
Operation and maintenance	328,537
Pupil support services	182,831
Student transportation services	130,039
Special programs	126,250
Other instructional programs	113,133
Instructional staff services	79,094
Non-instructional services	71,061
Central services	2,929
Management and general	
Business services	214,447
General administration	147,986
Fundraising	66,668
	4,473,671
<b>INCREASE IN NET ASSETS</b>	1,696,651
<b>OTHER INCREASE IN NET ASSETS</b>	
Investment income	451,190
	2,147,841
<b>INCREASE IN NET ASSETS</b>	2,147,841
<b>NET ASSETS, BEGINNING OF PERIOD</b>	13,965,673
<b>NET ASSETS, END OF PERIOD</b>	\$ 16,113,514

See accompanying notes.

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

Statement of Functional Expenses  
Year Ended June 30, 2023

	Program Services						
	Regular Education Programs	Special Education Programs	School Administration	Operation and Maintenance	Pupil Support Services	Student Transportation Services	Special Programs
Salaries and stipends	\$ 1,475,060	\$ 197,703	\$ 221,990	\$ 29,606	\$ 132,401	\$ 47,538	\$ 82,893
Retirement expense	354,028	47,244	55,133	7,376	32,670	-	20,557
Group insurance	229,345	18,980	34,815	8,999	13,687	-	21,556
Professional services	21,823	84,913	375	59,234	-	-	-
Materials and supplies	60,975	2,720	4,394	15,875	388	-	-
Property leases	-	-	-	155,730	-	-	-
Dues and fees	-	-	660	-	-	-	-
Student transportation lease	-	-	-	-	-	57,902	-
Textbooks/workbooks	47,428	-	-	-	-	-	-
Equipment	47,307	2,181	1,204	658	-	-	-
Summer school	-	-	-	-	-	-	-
Expenses for student activities	-	-	-	-	-	-	-
Payroll taxes	22,090	3,001	3,415	451	2,003	760	1,244
Miscellaneous	28,748	-	81	2,679	597	100	-
Insurance	-	-	-	16,944	-	6,205	-
Travel and gasoline expense	3,967	-	1,786	-	1,085	17,534	-
Utilities	-	-	-	24,503	-	-	-
Depreciation	-	-	-	-	-	-	-
Telephone and postage	4,086	-	5,947	-	-	-	-
Workmen's compensation	14,360	-	-	-	-	-	-
Printing and copying	13,660	-	-	-	-	-	-
Booster club expenses	-	-	-	-	-	-	-
Repairs and maintenance	1,277	-	-	6,482	-	-	-
Expenses for school activities	-	-	-	-	-	-	-
	<u>\$ 2,324,154</u>	<u>\$ 356,742</u>	<u>\$ 329,800</u>	<u>\$ 328,537</u>	<u>\$ 182,831</u>	<u>\$ 130,039</u>	<u>\$ 126,250</u>

See accompanying notes.

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

**Statement of Functional Expenses (Cont.)  
Year Ended June 30, 2023**

	Program Services (Cont.)				Management and General			Total
	Other Instructional Programs	Instructional Staff Services	Non-instructional Services	Central Services	Business Services	General Administration	Fundraising	
Salaries and stipends	\$ 47,670	\$ 54,699	\$ -	\$ -	\$ 140,034	\$ -	\$ -	\$ 2,429,594
Retirement expense	11,286	13,565	-	-	34,588	-	-	576,447
Group insurance	6,256	-	-	-	15,391	-	-	349,029
Professional services	-	-	-	-	10,000	19,740	-	196,085
Materials and supplies	-	-	9,842	-	3,021	72	66,668	163,955
Property leases	-	-	-	-	-	-	-	155,730
Dues and fees	-	-	-	-	-	100,250	-	100,910
Student transportation lease	-	-	-	-	-	-	-	57,902
Textbooks/workbooks	-	10,003	-	-	-	-	-	57,431
Equipment	90	-	-	-	3,459	-	-	54,899
Summer school	46,600	-	-	-	-	-	-	46,600
Expenses for student activities	-	-	42,288	-	-	-	-	42,288
Payroll taxes	768	827	-	-	2,073	-	-	36,632
Miscellaneous	68	-	-	2,929	124	480	-	35,806
Insurance	-	-	-	-	-	7,056	-	30,205
Travel and gasoline expense	-	-	-	-	770	490	-	25,632
Utilities	-	-	-	-	-	-	-	24,503
Depreciation	-	-	-	-	-	19,898	-	19,898
Telephone and postage	395	-	-	-	4,865	-	-	15,293
Workmen's compensation	-	-	-	-	-	-	-	14,360
Printing and copying	-	-	-	-	-	-	-	13,660
Booster club expenses	-	-	13,480	-	-	-	-	13,480
Repairs and maintenance	-	-	-	-	122	-	-	7,881
Expenses for school activities	-	-	5,451	-	-	-	-	5,451
	<u>\$ 113,133</u>	<u>\$ 79,094</u>	<u>\$ 71,061</u>	<u>\$ 2,929</u>	<u>\$ 214,447</u>	<u>\$ 147,986</u>	<u>\$ 66,668</u>	<u>\$ 4,473,671</u>

See accompanying notes.

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

Statement of Cash Flows  
Year Ended June 30, 2023

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase in net assets	\$ 2,147,841
Adjustment to reconcile increase in net assets to net cash flows provided by operating activities:	
Depreciation	19,898
(Increase) decrease in operating assets:	
Promises to give	(699,003)
Other receivable	19,740
Prepaid expenses	(52,731)
Increase (decrease) in operating liabilities:	
Accounts payable	25,323
Retirement contributions payable	(602)
Accrued payroll	4,113
Payroll taxes payable	108
Deferred compensation	4,513
Compensated absences	(431)

**NET CASH FLOWS PROVIDED BY OPERATING  
ACTIVITIES**

1,468,769

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchases of property and equipment	(45,310)
Purchases of investments	(1,581,341)

**NET CASH FLOWS USED IN INVESTING ACTIVITIES**

(1,626,651)

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(157,882)

**BEGINNING CASH AND CASH EQUIVALENTS**

1,831,038

**ENDING CASH AND CASH EQUIVALENTS**

\$ 1,673,156

See accompanying notes.

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

Notes to Financial Statements  
Year Ended June 30, 2023

**Note 1 – Organization and Operations**

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

The School paid Lafourche Parish School Board an administrative fee representing 2% of the total revenue received under the State Public School – MFP Funding amounting to \$99,281.

**Note 2 – Summary of Significant Accounting Policies**

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

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

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

- B. Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred, in accordance with accounting principles generally accepted in the United States of America.
- C. Cash and Cash Equivalents – For the purpose of the statement of cash flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents. Cash includes amounts in demand deposits and interest-bearing demand deposits.
- D. Investments – Investments during the year consisted of a certificate of deposit and amounts deposited in the Louisiana Asset Management Pool (LAMP).
- E. Revenues – The School's primary source of funding is through the State Public School – MFP Funding.

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

Notes to Financial Statements  
Year Ended June 30, 2023

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

- F. Property and Equipment – Property and equipment of the School are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Depreciation of all exhaustible property and equipment is charged as an expense against operations. Property and equipment reported on the statement of financial position are net of accumulated depreciation. Normal building maintenance and minor equipment purchases are included as expenses of the School. Property and equipment acquisitions are capitalized if the purchase price exceeds \$1,000 and the asset has a useful life greater than one year. Depreciation expense for the year ended June 30, 2023 was \$19,898. Depreciation is calculated using the straight-line method over useful lives of three to fifteen years.
- G. Leases – The School determines if an arrangement is a lease at the inception of the contract. The School's right-of-use assets represent their right to use the underlying assets for the lease term, and the lease liabilities represent their obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. If the lease's implicit interest rate is not readily determinable, the School will use a risk-free rate in lieu of determining the incremental borrowing rate. The School has no financing leases. The School's operating leases are for its school property, administrative office, and four buses. Operating leases with a term of twelve months or less are not recorded in the statement of financial position. Leases with a term of one month or less do not meet the definition of a short-term lease.
- H. Income Taxes – The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. No provision for income taxes has been made as the School had no taxable activities.
- I. Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- J. Functional Expenses – The costs of providing the program services and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied.

When possible, expenses are first allocated by direct identification and then by allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort. There were no such allocated expenses during the year ended June 30, 2023.

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

Notes to Financial Statements  
Year Ended June 30, 2023

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

K. Recent Pronouncement – In January 2016, the FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2021. Management has implemented the statement, resulting in a material effect to the financial statements (see Note 8).

**Note 3 – Concentrations of Credit Risk**

The School maintains its cash in two financial institutions located in Louisiana. The Federal Deposit Insurance Corporation (FDIC) insures the balances up to \$250,000 at each institution. The School's deposits exceeded federally insured limits during the year; however, such excess deposits were collateralized by securities pledged by the bank at all times during the year.

The School received 87% of its revenues in the year ended June 30, 2023 from the State Public School – MFP Funding, subject to its charter school contract.

**Note 4 – Promises to Give**

As of June 30, 2023, promises to give consist of funding from the Lafourche Parish School District related to the COVID-related Elementary and Secondary School Emergency Relief (ESSER) Fund (\$99,396), MFP Funding (\$312,157), and Tier 4 MFP Funding (\$407,852) less school resource officer expenses (\$25,567).

**Note 5 – Deposits and Investments**

The School's investments are limited to funds deposited with Louisiana Asset Management Pool (LAMP) and a \$250,187 certificate of deposit. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government and approved quasi-public entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

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

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

Notes to Financial Statements  
Year Ended June 30, 2023

**Note 5 – Deposits and Investments (Cont.)**

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

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 56 days as of June 30, 2023.
- Foreign currency risk: Not applicable.

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

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

Investments in LAMP as of June 30, 2023 amounted to \$12,382,058 and are classified on the Statement of Financial Position as "Investments".

**Note 6 – Fair Values of Financial Instruments**

The School's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, investments, promises to give, and accounts payable. Management estimates that the fair value of all financial instruments as of June 30, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.



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

Notes to Financial Statements  
Year Ended June 30, 2023

**Note 7 – Property and Equipment**

A summary of changes in property and equipment follows:

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Capital asset, not being depreciated:				
Land	\$ 509,858	\$ -	\$ -	\$ 509,858
Construction in progress	737,837	17,222	-	755,059
Capital assets, being depreciated:				
Computers and peripherals	188,807	17,098	(26,855)	179,050
Computer software	16,128	-	-	16,128
Furniture and equipment	78,078	10,990	-	89,068
Musical instruments	14,828	-	-	14,828
	<u>1,545,536</u>	<u>45,310</u>	<u>(26,855)</u>	<u>1,563,991</u>
Less: accumulated depreciation	(248,911)	(19,898)	26,855	(241,954)
Total	<u>\$ 1,296,625</u>	<u>\$ 25,412</u>	<u>\$ -</u>	<u>\$ 1,322,037</u>

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

Construction in progress totaling \$755,059 is for the planning and design of the new school campus discussed in Note 15.

**Note 8 – Leases**

The Organization leases the building from which the School operates, its administrative office, and four school buses from unrelated parties. The terms of these written operating leases are three years. As of June 30, 2023, the value of the lease liabilities is \$294,165, original value of \$618,775 less accumulated amortization of \$324,610. During the year, total lease costs were \$213,632.

The future principal and interest payments related to these leases as of June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 206,258	\$ 19,128	\$ 225,386
2025	77,059	7,145	84,204
2026	10,848	1,005	11,853
	<u>\$ 294,165</u>	<u>\$ 27,278</u>	<u>\$ 321,443</u>

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

Notes to Financial Statements  
Year Ended June 30, 2023

**Note 9 – Deferred Compensation**

For ten-month employees, such as teachers, July 2023 payroll costs are recorded as deferred compensation. These employees earned such compensation by completing their contracts with the School in May or June 2023. While they work for a ten-month period, they get paid over a twelve-month period. The contract period for these employees was August 1, 2022 to May 22, 2023, and the amount of deferred compensation that was recorded is \$132,262.

**Note 10 – Compensated Absences**

Annual leave is to be granted to all 230-240 day employees for the purpose of rehabilitation and restoration of work efficiency. The School has five employees in this category. All 230-240 day employees shall earn such leave based on years of experience. Any unused annual leave at the time of separation (termination of employment or death) shall be paid to the employee or his/her heirs. As of June 30, 2023, compensated absences payable equaled \$30,347.

**Note 11 – Governmental Grants**

During the year ended June 30, 2023, the School recognized grant revenue totaling \$338,384 in the form of reimbursements for actual expenses from Lafourche Parish School District through the COVID-related Elementary and Secondary School Emergency Relief (ESSER) Fund.

**Note 12 – In-Kind Contributions**

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

In-kind contributions for the year ended June 30, 2023 included silent auction and raffle donations related to fundraising activities totaling \$22,331.

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

**Note 13 – Retirement Plans**

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

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

Notes to Financial Statements  
Year Ended June 30, 2023

**Note 13 – Retirement Plans (Cont.)**

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

***Funding Policy***

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the year ended June 30, 2023, the employer contribution rate was 24.8%. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the year ended June 30, 2023 was \$569,071.

In addition to TRSL, certain employees of the School participate in the Louisiana School Employees' Retirement System (LSERS). The LSERS is a cost-sharing, multiple-employer defined benefit plan, which guarantees a benefit based on age, years of service, and final average compensation at retirement, not on the amount of contributions. LSERS members are non-instructional personnel of the Louisiana public school system. Employees must work more than 20 hours per week to become a member of this system. Twenty years of service or five years of service (if the member is at least age 62) are required to become vested in the system.

***Funding Policy***

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate, which was 27.6% for fiscal year 2022-2023. The School's contribution to the plan for the year ended June 30, 2023 was \$7,376.

**Note 14 – Uncertain Income Taxes**

The School's 2021 tax return was filed appropriately. As of October 2023, the School had not filed its 2022 tax return as the filing due date has been extended to May 15, 2024. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit period is 2019 to 2022. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

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

Notes to Financial Statements  
Year Ended June 30, 2023

**Note 15 – Commitment**

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

On September 3, 2019, Bayou Community Academy, Inc. entered into a Contract for Construction and a Standard Form of Agreement with an architect for the construction of a new school campus. Planning and design for the school campus began during the year ended June 30, 2020. The project cost is \$24,987,108, including the cost of land acquired in 2015. \$14,088,198 of the construction costs will be financed through a local bank converting to a United States Department of Agriculture loan upon completion. Management estimates that the new campus will be in service in 2025.

**Note 16 – Liquidity and Availability of Financial Assets**

The following reflects the School's financial assets as of June 30, 2023, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Current assets	\$ 15,171,742
Less those unavailable for general expenditures within one year (prepaid expenses)	<u>(72,331)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 15,099,411</u>

**Note 17 – Subsequent Events**

Subsequent events were evaluated through November 2, 2023, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**SUPPLEMENTARY INFORMATION**

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

Schedule of Board of Trustees  
Year Ended June 30, 2023

<u>Board Members</u>	<u>Compensation</u>
William Crawford 522 Green Street Thibodaux, Louisiana 70301	\$-0-
Jim Barr 402 West 2 <sup>nd</sup> Street Thibodaux, Louisiana 70301	\$-0-
Jerad David 504 Ashland Drive Thibodaux, Louisiana 70301	\$-0-
Hal Callais 800 East 1 <sup>st</sup> Street Thibodaux, Louisiana 70301	\$-0-
Monique Clark 412 Cavaness Drive Houma, Louisiana 70364	\$-0-
Nolan Smith 256 Bouverans Circle Lockport, Louisiana 70374	\$-0-
Shelba Harlan 312 Amis Street Thibodaux, Louisiana 70301	\$-0-
Danny Baker 141 Towne Way Thibodaux, Louisiana 70301	\$-0-

See independent auditor's report.

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

Schedule of Compensation, Benefits, and Other  
Payments to the Director  
Year Ended June 30, 2023

**Agency Head Name:** Melanie Becnel, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 101,634
Benefits - retirement	25,205
Benefits - insurance	13,211
Cell phone	845
Dues	710
Registration fees	460
Reimbursements	188
Special meals	14

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

See independent auditor's report.

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**



**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified public Accountants  
(A Professional Corporation)*

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Bayou Community Academy, Inc. Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 2, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

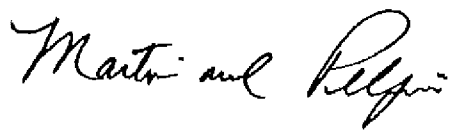
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

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

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

## **Purpose of This Report**

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

A handwritten signature in black ink, appearing to read "Martin and Pelgri". The signature is written in a cursive, flowing style.

Houma, Louisiana  
November 2, 2023

**OTHER INFORMATION**

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

Schedule of Findings and Responses  
Year Ended June 30, 2023

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

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

**Section II – Financial Statement Findings**

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

**Section III – Internal Control Findings**

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

**Section IV – Federal Award Findings and Questioned Costs**

This section is not applicable.

## REPORTS BY MANAGEMENT

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

Schedule of Prior Findings and Resolution Matters  
Year Ended June 30, 2023

Note: All prior findings relate to the June 30, 2022 audit engagement.

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

This section is not applicable.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

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

Management's Corrective Action  
Plan for Current Year Findings  
Year Ended June 30, 2023

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

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

This section is not applicable.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

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



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

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

We have performed the procedures enumerated below, which were agreed to by the management of Bayou Community Academy, Inc. Charter School (the School), the Louisiana Department of Education, and the Louisiana Legislative Auditor (LLA) (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2023 and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for its performance and statistical data.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

**General Fund Instructional and Support Expenditures and Certain Local Revenue 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 accounts for each of the categories reported on Schedule 1.

**We noted no exceptions.**

### Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2022 roll books for those classes and observed that the class was properly classified on the schedule.

**We noted no exceptions.**

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

3. We obtained the October 1, 2022 PEP data submitted to the Department of Education, including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

**We noted no exceptions.**

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

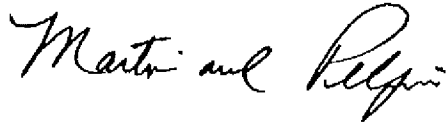
4. We obtained June 30<sup>th</sup> PEP data submitted to the Department of Education of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete.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

**We noted no exceptions.**

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

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

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

A handwritten signature in black ink, appearing to read "Martin and Kelly". The signature is written in a cursive, flowing style.

Houma, Louisiana  
November 2, 2023

**Bayou Community Academy, Inc. Charter School**  
**Thibodaux, Louisiana**  
 General Fund Instructional and Support Expenditures  
 And Certain Local Revenue Sources  
 Year Ended June 30, 2023

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$	1,510,246
Other Instructional Staff Activities		292,579
Instructional Staff Employee Benefits		750,715
Purchased Professional and Technical Services		106,736
Instructional Materials and Supplies		111,024
Instructional Equipment		49,578
		<hr/>
Total Teacher and Student Interaction Activities		2,820,878
Other Instructional Activities		98,801
Pupil Support Services		182,830
Less: Equipment for Pupil Support Services		-
		<hr/>
Net Pupil Support Services		182,830
Instructional Staff Services		79,095
Less: Equipment for Instructional Staff Services		-
		<hr/>
Net Instructional Staff Services		79,095
School Administration		329,799
Less: Equipment for School Administration		(1,204)
		<hr/>
Net School Administration		328,595
		<hr/>
Total General Fund Instructional Expenditures	\$	3,510,199
		<hr/>
Total General Fund Equipment Expenditures	\$	82,987
		<hr/>

The remainder of Schedule I is not applicable.

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

**Bayou Community Academy, Inc. Charter School**  
**Thibodaux, Louisiana**  
 Class Size Characteristics  
 As of October 1, 2022

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Combination	15%	3	45%	9	40%	8	0%	0

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

**STATEWIDE AGREED-UPON PROCEDURES**

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

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

We have performed the procedures enumerated below 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, 2022 through June 30, 2023. The School's management is responsible for those C/C areas identified in the SAUPs.

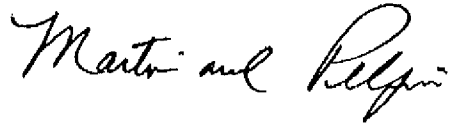
The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed 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 described on pages 31-48.

We were engaged by the School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and 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 School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on 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.

A handwritten signature in black ink, appearing to read "Martin and Pelgri". The signature is written in a cursive, flowing style.

Houma, Louisiana  
November 2, 2023



**Bayou Community Academy, Inc. Charter School**  
**Thibodaux, Louisiana**  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended June 30, 2023

The required procedures and our findings are as follows:

Procedures performed on the School's written policies and procedures:

**Written Policies and Procedures**

1. Obtain and inspect the School's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for purchasing and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

c) Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for receipts and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended June 30, 2023

- e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules

Performance: Obtained and read the written policy for payroll and personnel and found it to contain all requirements above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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

Performance: Determined that the School adopted Lafourche Parish School Board's written contracting policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the travel and expense reimbursement policy and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- h) 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

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Performance: Determined that the School adopted Lafourche Parish School Board's written ethics policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended June 30, 2023

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

Not applicable for not-for-profits.

- 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.

Performance: Determined that the School adopted Lafourche Parish School Board's written information technology disaster recovery/business continuity policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Not applicable for not-for-profit entities.

**Board or Finance Committee**

- 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.

Performance: Determined that the board (with a quorum) and finance committee met on a frequency in accordance with the board's by-laws.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

**Bayou Community Academy, Inc. Charter School**  
**Thibodaux, Louisiana**  
Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended June 30, 2023

Performance: Determined whether the minutes referenced or included financial activity relating to public funds and determined that financial statements are provided at board meetings and finance committee meetings.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Determined that there were no audit findings in the previous year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Bank Reconciliations**

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;

Performance: Determined that randomly selected bank statements were reconciled within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation;

Performance: Inspected documentation for management approvals of each randomly selected bank reconciliation.

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

Schedule of Procedures and Associated Findings of the  
Statewide Agreed-Upon Procedures  
Year Ended June 30, 2023

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- 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.

Performance: Determined that there were no items outstanding for more than 12 months.

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

**Collections (excluding electronic funds transfers)**

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 five deposit sites (or all deposit sites if less than five).

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Observed the listing of collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to determine that cash drawers/registers are not shared by employees.

Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- 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 to the deposit.

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Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees preparing/making bank deposits.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees posting collection entries to the general ledger or subsidiary ledgers.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees reconciling cash collections to the general ledger and/or subsidiary ledgers.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether employees who have access to cash are covered by a bond or insurance policy for theft.

Exceptions: Each employee that is responsible for collecting cash is not bonded or covered by insurance.

Management's response: Management has purchased an insurance policy subsequent to year-end to cover those employees who handle cash.

7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:

- a) Observe that receipts are sequentially pre-numbered.

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Performance: Determined that sequentially pre-numbered receipts are not required for the type of deposits that are received at the School.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if they had system reports and collection documentation that agreed to the respective deposit slips. Noted that collections were supported by adequate documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposit slips agreed to the actual deposits per the bank statements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Observe that the deposit was made within one business day of receipt at the collection location.

Performance: Determined if deposits from two random dates were deposited within one business day of receipt.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposits per the bank statements agree to the general ledger.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

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Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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, 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.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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.

Performance: Inspected policy manual and inquired of management as to separation of duties related to vendor files.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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.

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.



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Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Performance: Determined whether electronic disbursements were approved by only those employees/officials authorized to sign checks.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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 five disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

Performance: Determined that the five random disbursements matched their respective original invoices and that the invoices indicate that deliverables were received by the entity.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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- c) Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select five non-payroll-related electronic disbursements (or all electronic disbursements if less than five) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds per the entity's policy and (b) approved by the required number of authorized signers per the entity's policy.

Performance: Determined whether the documentation for the five random electronic disbursements gave evidence of approval by only those persons authorized to disburse funds per the entity's policy and that there were the required number of authorized signers.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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.

Performance: Observed the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed written approvals of credit card transactions on monthly statements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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Procedures: Traced selected credit card statements to determine if any finance charges or late fees were applied to balances.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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. 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.

Performance: Observed whether randomly selected credit card transactions were supported by the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

Performance: Obtained a list of all travel and related expense reimbursements. Management's representation of the listing was confirmed in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

Performance: Determined that per diem rates were no more than those rates established by either the State of Louisiana or the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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Performance: Traced expenses to original itemized receipts, expense reports, and mileage reports.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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 #1g).

Performance: Reviewed documentation of the business/public purpose for each expense.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected each expense reimbursement request to find approval by supervisors and/or board member.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Contracts**

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. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

Performance: Determined that the School did not have to comply with the Public Bid Law for any of the selected contracts in place.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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- b) Observe whether the contract was approved by the governing body/board, if required by policy or law.

Performance: Determined that the School is not bound by policy or law to have board approval of contracts. The Director is allowed to approve contracts.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

Performance: Determined that none of the randomly selected contracts were amended.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Randomly select one payment from the fiscal period for each of the five 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.

Performance: Inspected the randomly selected invoice and compared to the written contract information to determine that the invoice and related payment complied with the terms of the contract.

Exceptions: One of the invoices did not match its respective contract. It was \$12 less because the School was only charged for services performed on two of its computer products instead of four as quoted.

Management's response: Per the computer company, the bill was correct because two of the products had not been installed. These products have since been installed as evidenced by the subsequent invoice.

**Payroll and Personnel**

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Observed the listing of employees and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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- a) Observe that all selected employees or officials documented their daily attendance and leave.

Performance: Determined that all selected employees documented their daily attendance and leave for the selected pay period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Performance: Determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that any leave taken during the pay period is reflected in the entity's cumulative leave records.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the rates paid to the employees/officials agree to the authorized rates found in each personnel's file.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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 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.

Performance: Obtained management's representation of employees who received termination payments in a separate letter. Randomly tested two of the former employees and their respective payments by calculating hours and pay rates, comparing to cumulative leave records, reviewing personnel files, and reviewing the entity's policy.

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Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

19. Obtain management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation in a separate letter that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

**Ethics**

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel", 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 as required by R.S. 42:1170.

Performance: Observed the ethics course completion certificates for the employees/officials tested.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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

Performance: Determined that the School adopted Lafourche Parish School Board's written ethics policy and determined that there were no changes to the policy during the fiscal period.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

- c) Inquire and/or observe whether the entity has appointed an ethics designee as required by R.S. 42:1170.

Performance: Observed that the School has appointed an ethics designee.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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**Debt Service**

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 bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable for not-for-profit entities.

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.

Not applicable for not-for-profit entities.

**Fraud Notice**

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 as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Observed such notice posted on the premises and website.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Information Technology Disaster Recovery/Business Continuity**

25. Perform the following procedures and verbally discuss 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



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data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

- 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 three months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting software in use are currently supported by the vendor.

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

26. Randomly select five terminated employees (or all terminated employees if less than five) using the list of terminated employees obtained in procedure #18. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: Observed that terminated employees were disabled from the network.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Prevention of Sexual Harassment**

27. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Not applicable for not-for-profit entities.

28. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website.

Not applicable for not-for-profit entities.

29. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

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- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Not applicable for not-for-profit entities.