

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING FINANCIAL STATEMENTS
For the Year Ended June 30, 2022



TWRU

CPAs & Financial Advisors

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community School for Apprenticeship Learning, Inc.
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying consolidating financial statements of Community School for Apprenticeship Learning, Inc. and its Subsidiary (a nonprofit organization), which comprise the consolidating statement of financial position as of June 30, 2022, and the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidating financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidating financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of Community School for Apprenticeship Learning, Inc. and Subsidiary as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Supplementary and Other Information**

Our audit was conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidating 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 consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating 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 consolidating financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is required by Louisiana Revised Statute 24:513 (A)(3) and is presented for purposes of additional analysis and is 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 January 3, 2023, on our consideration of Community School for Apprenticeship Learning, Inc. and its Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Community School for Apprenticeship Learning, Inc. and Subsidiary's internal control over financial reporting and compliance.

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CPAs & Financial Advisors
Baton Rouge, Louisiana
January 3, 2023

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
(See Notes to Financial Statements)
June 30, 2022

ASSETS

	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total
CURRENT ASSETS:				
Cash	\$ 19,728,315	\$ -	\$ -	\$ 19,728,315
Accounts Receivable - MFP	351,043	-	-	351,043
Accounts Receivable - Federal Programs	795,490	-	-	795,490
TOTAL CURRENT ASSETS	20,874,848	-	-	20,874,848
PROPERTY AND EQUIPMENT:				
Land and Land Improvements	1,052,253	-	-	1,052,253
Buildings and Leasehold Improvements	20,549,876	1,995,966	-	22,545,842
Construction in Process	404,534	-	-	404,534
Furniture and Fixtures	292,107	-	-	292,107
Equipment	928,879	-	-	928,879
Other Fixed Assets	5,524	-	-	5,524
Landscaping	1,519	-	-	1,519
TOTAL PROPERTY AND EQUIPMENT	23,234,692	1,995,966	-	25,230,658
Less Accumulated Depreciation	3,302,154	538,347	-	3,840,501
NET PROPERTY AND EQUIPMENT	19,932,538	1,457,619	-	21,390,157
OTHER ASSETS				
Other Assets	25,985	-	-	25,985
Due from Related Party	1,432,369	-	(1,432,369)	-
TOTAL OTHER ASSETS	1,458,354	-	(1,432,369)	25,985
TOTAL ASSETS	\$ 42,265,740	\$ 1,457,619	\$ (1,432,369)	\$ 42,290,990

LIABILITIES AND NET ASSETS

	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total
CURRENT LIABILITIES:				
Accounts Payable	\$ 390,648	\$ -	\$ -	\$ 390,648
Credit Cards Payable	94,584			94,584
Payroll Liabilities	177,674	-	-	177,674
TOTAL CURRENT LIABILITIES	662,906	-	-	662,906
NON-CURRENT LIABILITIES				
Due to Related Party	-	1,432,369	(1,432,369)	-
TOTAL LIABILITIES	662,906	1,432,369	(1,432,369)	662,906
NET ASSETS:				
Unrestricted	41,602,834	25,250	-	41,628,084
TOTAL NET ASSETS	41,602,834	25,250	-	41,628,084
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 42,265,740</u>	<u>\$ 1,457,619</u>	<u>\$ (1,432,369)</u>	<u>\$ 42,290,990</u>

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING STATEMENT OF ACTIVITIES
(See Notes to Financial Statements)
For the Year Ended June 30, 2022

	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total
CHANGES IN UNRESTRICTED NET ASSETS				
PUBLIC SUPPORT REVENUES AND OTHER SUPPORT:				
MFP School Payments	\$ 32,409,888	\$ -	\$ -	32,409,888
Support from Federal Programs	7,077,623	-	-	7,077,623
Support from State Programs	29,000	-	-	29,000
Other Income	334,419	-	-	334,419
Interest Income	1,523	-	-	1,523
TOTAL PUBLIC SUPPORT REVENUES AND OTHER SUPPORT	39,852,453	-	-	39,852,453
EXPENDITURES:				
Program Expenses	27,952,105	51,138	-	28,003,243
Administrative Expenses	4,918,128	-	-	4,918,128
TOTAL EXPENDITURES	32,870,233	51,138	-	32,921,371
INCREASE(DECREASE) IN NET ASSETS WITHOUT DONOR	6,982,220	(51,138)	-	6,931,082
NET ASSETS WITHOUT DONOR RESTRICTIONS BEGINNING OF YEAR	34,620,614	76,388	-	34,697,002
NET ASSETS WITHOUT DONOR RESTRICTIONS END OF YEAR	\$ 41,602,834	\$ 25,250	\$ -	\$ 41,628,084

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Year Ended June 30, 2022

	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total
EXPENDITURES:				
PROGRAM AND INSTRUCTIONAL EXPENSES:				
Salaries	\$ 10,345,971	\$ -	\$ -	10,345,971
Substitute Teachers	3,131	-	-	3,131
Payroll Taxes	522,578	-	-	522,578
Retirement	1,107,084	-	-	1,107,084
Health Insurance	1,610,958	-	-	1,610,958
Worker's Compensation Insurance	26,704	-	-	26,704
Other Employee Benefits	97,166	-	-	97,166
Depreciation and Amortization	437,947	51,138	-	489,085
Regular Program Expenditures	5,427,012	-	-	5,427,012
Special Education Expenditures	682,407	-	-	682,407
Career and Technology Education Expenditures	88,296	-	-	88,296
Other Instructional Expenditures	441,773	-	-	441,773
Specal Programs	567,901	-	-	567,901
Pupil Support Services	677,172	-	-	677,172
Instructional Staff Services	5,709,036	-	-	5,709,036
Non-Instructional: Food Service Operations	206,969	-	-	206,969
TOTAL PRORGAM EXPENES	27,952,105	51,138	-	28,003,243
SUPPORT AND ADMINISTRATIVE EXPENSES:				
Salaries	1,666,461	-	-	1,666,461
Payroll Taxes	42,411	-	-	42,411
Retirement	293,581	-	-	293,581
Health Insurance	183,681	-	-	183,681
Worker's Compensation Insurance	4,301	-	-	4,301
Other Employee Benefits	3,878	-	-	3,878
General Administration	362,351	-	-	362,351
School Administration	208,094	-	-	208,094
Business Services	82,526	-	-	82,526
Operation and Maintenance of Plant Services	1,167,675	-	-	1,167,675
Student Transportation Services	588,443	-	-	588,443
Central Services	178,660	-	-	178,660
Facility Acquisition and Construction Services	26,549	-	-	26,549
Indirect Costs	109,517	-	-	109,517
TOTAL ADMINISTRATIVE EXPENSES:	4,918,128	-	-	4,918,128
TOTAL EXPENDITURES	\$ 32,870,233	\$ 51,138	\$ -	\$ 32,921,371

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING STATEMENT OF CASH FLOWS
(See Notes to Financial Statements)
For the Year Ended June 30, 2022

	Community School for Apprenticeship Learning	Making Education Count, Inc.	Eliminations	Consolidating Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received for MFP	\$ 32,376,801	\$ -	\$ -	\$ 32,376,801
Cash Received from Federal Grants	6,259,103	-	-	6,259,103
Cash Received from State Grants	29,000	-	-	29,000
Cash Received from Other Sources	334,419	-	-	334,419
Interest Received	1,523	-	-	1,523
Cash Paid to Employees	(12,012,432)	-	-	(12,012,432)
Cash Paid for Goods and Services	(20,653,399)	-	-	(20,653,399)
NET CASH PROVIDED BY OPERATING ACTIVITIES:	6,335,015	-	-	6,335,015
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for Land	-	-	-	-
Payments for Buildings and Improvements	(5,019,289)	-	-	(5,019,289)
Payments for Equipment	(30,029)	-	-	(30,029)
Payments for Construction in Progress	(132,786)	-	-	(132,786)
NET CASH USED BY INVESTING ACTIVITIES	(5,182,104)	-	-	(5,182,104)
NET INCREASE IN CASH	1,152,911	-	-	1,152,911
BEGINNING CASH BALANCE	18,575,404	-	-	18,575,404
ENDING CASH BALANCE	\$ 19,728,315	\$ -	\$ -	\$ 19,728,315

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Community School for Apprenticeship Learning, Inc. (CSAL) is an independent public middle school with a charter to operate in East Baton Rouge Parish expiring June 30, 2026. During the 2021-2022 school year, CSAL had an enrollment of 300 and teaches using a project based instruction as one of the primary tools of delivery.

During 2021, the School applied for and received a renewal Type 2 charter to operate a public high school, Madison Preparatory Academy, in East Baton Rouge Parish. At the High School, students focus on either a liberal arts or a math/science student track, with their senior year focusing on the specific academic track and allowing students to intern with local companies to get experience and exposure in the workplace in areas related to their academic track. MPA received a renewal charter to operate in East Baton Rouge Parish expiring June 30, 2027. During the 2021-2022 school year Madison Preparatory Academy had an enrollment of 576 students.

During 2011, the School applied for and received a Type 2 charter to operate Louisiana Virtual Charter Academy (LAVCA), a public virtual school operated in Louisiana for grades Kindergarten through eleventh grade. The school operates through a partnership with K12 through an online instructional program. LAVCA has a charter to operate in Louisiana expiring June 30, 2023. During the 2021-2022 school year LAVCA had an enrollment of 1920 students.

During 2020, the School applied for and received a charter to operate an independent public elementary school (CESC) with a charter to operate in EBR Parish expiring June 30, 2023. During the 2021-2022 school year, CESC had an enrollment of 141 students and teaches using a project based instruction as one of the primary tools of delivery

The School is a nonprofit school as described in Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. Making Education Count, Inc. (MEC) was organized to obtain a loan to construct a gym for Community School for Apprenticeship Learning. MEC is a nonprofit school as described in Section 501 (c) (2) of the Internal Revenue Code and is exempt from federal and state income taxes. MEC's sole purpose is to own the building.

Principles of Consolidation – The accompanying financial statements reflect the consolidating financial statements of Community School for Apprenticeship Learning, Inc. (School) and Making Education Count, Inc. (Subsidiary). The Board of Directors for the School is also the Board of Directors for the Subsidiary. Material inter-company transactions have been eliminated.

Basis of Accounting – The financial statements were prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation – The School reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity. Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the School, the environment in which it operates, the purposes specified in corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. The School has only net assets without donor restrictions as of June 30, 2022.



COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support – The school is issued monthly per pupil Minimum Foundation Program (MFP) distributions as determined by the State Department of Education and the East Baton Rouge Parish School Board. The distribution is based on the October 1 enrollment and is adjusted accordingly for any State Department of Education audit adjustments. The School also applies for various grants from the private and public sector. The grants are for specific items and are nonrecurring.

Concentrations – For the year ended June 30, 2022, the School received approximately 35% of its annual revenue from the East Baton Rouge Parish School Board, 45% from State of Louisiana Department of Education funding, and approximately 17% from federal programs.

For the year ended June 30, 2022, LAVCA maintains a contract with one supplier for all of their instructional materials and supplies.

Contributions – Contributions received are allocated as restricted or unrestricted based on the donors' stipulations.

Donated Services – No amounts have been reflected in the financial statements for donated services. The School generally pays for services requiring specific expertise. Some Board members volunteer their time and perform a variety of tasks that assist with administrative programs.

In-kind Donations – Occasionally the School receives in-kind donations of supplies. The fair value of the donation of any in kind gifts are recorded as contributed nonfinancial assets in contribution income and applicable expense. During the year, no in-kind donations were received.

Functional Expenses – The costs of providing various program and administrative services have been reported on a functional basis in the Consolidating Statement of Activities and the Consolidating Statement of Functional Expenses. Accordingly, certain costs have been allocated among the various program and administrative services based on estimates made by management.

Cash and Cash Equivalents – The School and Subsidiary both consider all unrestricted, highly liquid investments purchases with maturity of three months or less to be cash equivalents.

Accounts Receivable – Bad debts are charged to operations in the year in which the account is determined uncollectible. If the allowance method of accounting for uncollectible accounts were used, it would not have a material effect on the financial statements. No amounts for an allowance for bad debts have been established as the School expects to collect the balance in full.

Property and Equipment – Purchased property and equipment is recorded at cost. Acquisitions of land, buildings, and improvements in excess of \$20,000 are capitalized. Furniture and equipment in excess of a range of \$1,000 to \$5,000 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful life of the assets. Estimated useful lives range from three to 10 years for most furniture, equipment, and major improvements and 39 years for buildings.

Repair and maintenance costs are expensed as incurred. When property and equipment are retired or otherwise disposed, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective year.

Construction in progress costs represent cumulative costs of projects not complete and not yet placed in service. No depreciation was taken on these capitalized costs. Construction in progress was \$404,534 for the year ended June 30, 2022.

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising – The School expenses advertising costs as they are incurred. Advertising costs during 2022 were \$0.

Use of Estimates – Management used estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were assumed in preparing the financial statements.

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. The School has no unrelated business income for the fiscal years ended June 30, 2022. In addition, the School qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The School may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the School and various positions related to the potential sources of unrelated business taxable income (UBIT). The School has analyzed its tax positions taken for filings with the Internal Revenue Service. The School believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse on the School's financial condition, results of operations, or cash flows. The School's tax returns are subject for review for the years ended June 30, 2019, 2020, and 2021. The tax return for year end June 30, 2022 is expected to be filed in February 2023.

Recently Adopted Accounting Standard – As of July 2, 2021, the School adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities Contribute Nonfinancial Assets*. The ASU required nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The School's adoption of ASU No. 2020-07 did not result in any adjustments to their financial statement presentation.

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable - MFP at June 30, 2022 represent the amount due from the East Baton Rouge Parish School Board for June 2022 MFP net of monthly expenses paid directly to the School Board through deduction from total support.

Accounts receivable – Federal Programs at June 30, 2022 represent the amount due from various federal grants for reimbursements of expenses as of June 30, 2022.

NOTE 3: OPERATING LEASE

The School leases its facilities from the East Baton Rouge Parish School Board on a year-to-year basis. On December 18, 2008, the school entered into a new lease agreement with the school board which reduced the monthly rent charged to the school to \$100. Total rent paid during the year ended June 30, 2022 was \$1,200. The new lease agreement was extended for the same terms for until June 30, 2029. As a term of the agreement the School is responsible for utilities expense, janitorial expenses, and other repairs.

LAVCA leases classroom space for presentations and testing on an as needed basis and office equipment as needed on a monthly basis. Total rent paid to outside parties for 2022 totaled \$379,592.

Estimated annual rental obligation for the next five years is \$1,200 each year.



COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

June 30, 2022

NOTE 4: RETIREMENT PLAN

Some School employees of CSAL and MPA are covered by the Teachers' Retirement System of Louisiana. Employees are required to defer 8% of their salary into the plan. For the year ended June 30, 2022, the School contributed an additional 25.2% for employees participating in this plan. School employees who work for LAVCA participate in a 403(b) plan. The School contributes 5% of employees' salaries into the plan. During the year ended June 30, 2022, the School contributed \$1,528,836 into all the retirement plans.

NOTE 5: SUPPLEMENTAL DISCLOSURE OF CONSOLIDATED CASH FLOW INFORMATION

Reconciliation of increase in net assets to net cash provided by operating activities:

	<u>June 30, 2022</u>
Increase in Net Assets	\$6,931,082
Depreciation and Amortization	489,085
Change in accounts payable related to building projects	32,495
Increase in Accounts Receivable – MFP	(106,269)
Increase in Accounts Receivable – Federal Programs	(745,338)
Increase in Other Assets	(25,985)
Decrease in Accounts Payable	(327,280)
Decrease in Payroll Taxes Payable	(86,197)
Increase in Payroll Liabilities	104,813
Increase in Credit Card Payable	<u>68,609</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 6,335,015</u>

NOTE 6: CONCENTRATION OF CREDIT RISK

During the year, the School and the Subsidiary maintained cash balances at multiple financial institutions. As of June 30, 2022, the balances at all financial institutions were in excess of the FDIC insurance limit.

NOTE 7: RESTRICTIONS ON NET ASSETS

The School's board of directors has not chosen to place any limitations on net assets without donor restrictions.

NOTE 8: LIQUIDITY AND AVAILABILITY

The following reflects the School's financial assets as of the statement of financial position date:

	<u>June 30, 2022</u>
Cash	\$ 19,728,315
MFP and Federal Funds Receivable	<u>1,146,533</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 20,874,848</u>

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: LINE OF CREDIT

The School had a line of credit with a limit of \$1,000,000 bearing interest at 2.51% that expired September 28, 2021. The line was secured by the CSAL savings account at issuing bank, and all real property owned by the School, and all deposit accounts. At June 30, 2021, the line of credit had a balance of \$0. The line of credit was not renewed when it expired due to non-usage

NOTE 10: SUBSEQUENT EVENTS

The School has evaluated all subsequent events through January 3, 2022, the date the financial statements were available to be issued.

The School has ongoing construction project for the new Elementary School Building with a total cost including change orders of \$6,670,619. As of June 30, 2022, \$5,361,545 had been completed and \$339,064 was included in Accounts Payable.

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(See Independent Auditors' Report)
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Education - Title I - Part A Title I Grants to Local Educational Agencies Louisiana Department of Education	84.010A	681	\$ 1,313,746	\$ -
U.S. Department of Education - IDEA Part B Special Education-Grants to States Louisiana Department of Education	84.027A	681	497,999	-
U.S. Department of Education - IDEA Part B Special Education- Grants to States American Recovery Plan Emergence Relief Fund Louisiana Department of Education	84.027A		62,254	-
U.S. Department of Education - Carl D. Perkins Grant Louisiana Department of Education	84.048A	681	34,877	-
U.S. Department of Education - IDEA Preschool Louisiana Department of Education	84.173A	681	695	-
U.S. Department of Education - Title II - Part A Teacher and Principal Training and Recruiting Fund Louisiana Department of Education	84.367A	681	177,627	-
U.S. Department of Education - Comprehensive Literacy State Development Program Louisiana Department of Education	84.371C	681	91,911	-
U.S. Department of Education- Title IV A- SSAE Louisiana Department of Education	84.424A	681	119,958	-
U.S. Department of Education- Elementary & Secondary School Emergency Relief Fund Louisiana Department of Education	84.425D	681	2,280,516	-
U.S. Department of Education- Elementary & Secondary School American Recovery Plan Emergency Relief Fund Louisiana Department of Education	84.425U	681	2,314,834	-
U.S. Department Of Agriculture - School Lunch Program	10.555	N/A	183,206	-
Total			<u>\$ 7,077,623</u>	<u>\$ -</u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community School for Apprenticeship Learning, Inc. and is presented on the accrual basis of accounting. The information in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of Community School for Apprenticeship Learning, it is intended to and does not present the financial position, changes in net assets, or cash flows of Community School for Apprenticeship Learning, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Community School for Apprenticeship Learning, Inc. has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
 Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER PAYMENTS TO
 AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
 (See Independent Auditors' Report)
 For the Year Ended June 30, 2022

Agency Head: Dujan Johnson, Chief Executive Officer

<u>PURPOSE</u>	<u>Totals</u>
Benefits - Medical Insurance	\$ 16,969
Benefits - Retirement	51,729
Travel Reimbursements	-
Salary	<u>195,204</u>
TOTAL PAYMENTS TO AGENCY HEAD	<u><u>\$ 263,902</u></u>



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

To the Board of Directors
Community School of Apprenticeship Learning, Inc.
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidating financial statements of Community School of Apprenticeship Learning, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidating statement of financial position as of June 30, 2022, and the related consolidating 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 January 3, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community School of Apprenticeship Learning, Inc. and Subsidiary's (the School) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
January 3, 2023



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

To the Board of Directors
Community School for Apprenticeship Learning, Inc.
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Community School of Apprenticeship Learning, Inc. and Subsidiary's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community School of Apprenticeship Learning and Subsidiary's (the School) major federal programs for the year ended June 30, 2022. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Report on Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

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

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

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
January 3, 2023

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified Opinion

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? Yes No

Identification of major federal programs: US Dept of Education

- Title I, Part A
CFDA 84.010A
- Elementary & Secondary School Emergency Relief Fund
CFDA 84.424D
- Elementary & Secondary School Emergency Relief Fund
American Recovery Plan
CFDA 84.424U

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

Auditee qualified as low-risk auditee? Yes No

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None reported.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None reported.



COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING, INC. and SUBSIDIARY
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2022

PRIOR YEAR FINDINGS—FINANCIAL STATEMENT AUDIT

No findings reported

PRIOR YEAR FINDINGS AND QUESITONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

No findings reported.

No questioned costs reported.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Community School for Apprenticeship Learning, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to Community School for Apprenticeship Learning, Inc. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
No Exceptions Noted.
 - 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.
No Exceptions Noted.
 - c) **Disbursements**, including processing, reviewing, and approving
No Exceptions Noted.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
No Exceptions Noted.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
No Exceptions Noted.
- 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
No Exceptions Noted.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
No Exceptions Noted.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
No Exceptions Noted.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
No Exceptions Noted.
- 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.
- k) **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.
No Exceptions Noted.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
No Exception Noted.

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.
No Exceptions Noted.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, 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.
No Exceptions Noted.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
Not Applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
No Exceptions Noted.
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
No Exceptions Noted.
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
No Exceptions Noted.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

No Exceptions Noted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

No Exceptions Noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No Exceptions Noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No Exceptions Noted.

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

No Exceptions Noted.

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

No Exceptions Noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

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

Exception: The entity does not use sequentially pre-numbered receipts.

Management's Response/Corrective Action: Management does not feel that sequentially pre-numbered deposit slips are necessary and uses bank provided slips. They do have the school name and account numbers pre-printed.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No Exceptions Noted.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
No Exceptions Noted.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
No Exceptions Noted.
- e) Trace the actual deposit per the bank statement to the general ledger.
No Exceptions Noted.

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

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
No Exceptions Noted.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
No Exceptions Noted.

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

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.
No Exceptions Noted.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
No Exceptions Noted.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
No Exceptions Noted.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
No Exceptions Noted.

Travel and Travel-Related Expense 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 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
No Exceptions Noted.
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
No Exceptions Noted.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
No Exceptions Noted.
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No Exceptions Noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
No Exceptions Noted.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
No Exceptions Noted.
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
Not applicable.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
No Exceptions Noted.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
No Exceptions Noted.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
No Exceptions Noted.
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
No Exceptions Noted.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
No Exceptions Noted.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
Not Applicable.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.
No Exceptions Noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
Exception: Management says that ethics courses were completed by all employees but certificates are maintained by the individual employees.
Management's Response/Corrective Action: Management will request copies of the course completion certificates in future.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
Not applicable – no changes

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
Not Applicable.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
Not Applicable.

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.
No Exceptions Noted.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
No Exceptions Noted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report “we formed the procedure and discussed results with management.”
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred with the past week. If backups are stored on a physical medium (e.g. tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We formed the procedure and discussed results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
No Exceptions Noted.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
No Exceptions Noted.
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - 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.

Exception: Sexual harassment report was not completed.

Management’s Response/Corrective Action: Agency is a non profit is not aware that it must complete this report – they are a non profit entity.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on 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.

The purpose of this report is 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.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
January 3, 2023

Independent Accountants' Report
on Applying Agreed-Upon Procedures

To the Board of Directors
Community School for Apprenticeship Learning, Inc.,
The Louisiana Department of Education, and
The Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below, on the performance and statistical data accompanying the annual financial statements of the Community School for Apprenticeship Learning (the School); for the fiscal year ended June 30, 2022; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of 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)

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

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

Results: No exceptions were found.

Class Size Characteristics (Schedule 2)

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

Results: No exceptions were found.

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

2. We obtained the October 1st 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 was complete. We then selected a sample of 25 individuals and traced the education and experience reported to their personnel files.

Results: No exceptions were found.

Public School Staff Data: (No Schedule)

3. We obtained the October 1st 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 managements representation that the data was completed. We then selected a sample of 25 individuals and traced the salary and extra compensation to ensure they were properly included on the PEP data.

Results: No exceptions were found.

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 Statue 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.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
January 3, 2023

Community School for Apprenticeship Learning, Inc.
Baton Rouge, Louisiana
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2020

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

WAG - Louisiana Virtual Charter Academy

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

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teachers and Student Interaction Activities		
Classroom Teacher Salaries	\$ 3,466,790.40	
Other Instructional Staff Salaries	\$ 102,683.92	
Instructional Staff Employee Benefits	\$ 993,590.24	
Purchased Professional and Technical Services	\$ 16,017.65	
Instruction Materials and Supplies	\$ 2,236,303.41	
Instructional Equipment	\$ -	
Total Teacher and Student Interaction Activities		\$ 6,815,385.62
Other Instructional Activities		\$ 3,322,981.85
Pupil Support Services	\$ 1,024,246.84	
Less: Equipment for Pupil Support Services	\$ -	
Net Pupil Support Services		\$ 1,024,246.84
Instructional Staff Services	\$ 4,590,710.53	
Less: Equipment for Instructional Staff Services	\$ -	
Net Instructional Staff Services		\$ 4,590,710.53
School Administration	\$ 190,474.45	
Less: Equipment for School Administration	\$ -	
Net School Administration		\$ 190,474.45
Total General Fund Instructional Expenditures (Total of Column B)		\$ 15,943,799.29
Total General Fund Equipment Expenditures		\$ -
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ -
Renewable Ad Valorem Tax		\$ -
Debt Service Ad Valorem Tax		\$ -
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		\$ -
Sales and Use Taxes		\$ -
Total Local Taxation Revenue		\$ -
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ -
Earnings from Other Real Property		\$ -
Total Earnings on Investment in Real Property		\$ -
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ -
Revenue Sharing - Other Taxes		\$ -
Revenue Sharing - Excess Portion		\$ -
Other Revenue in Lieu of Taxes		\$ -
Total State Revenue in Lieu of Taxes		\$ -
Nonpublic Textbook Revenue		\$ -
Nonpublic Transportation Revenue		\$ -
Earnings from 16th Section Property	\$ -	
Earnings from Other Real Property	\$ -	
Total Local Earnings on Investment in Real Property	\$ -	
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$ -	
Revenue Sharing - Other Taxes	\$ -	
Revenue Sharing - Excess Portion	\$ -	
Other Revenue in Lieu of Taxes	\$ -	
Total State Revenue in Lieu of Taxes	\$ -	
Nonpublic Textbook Revenue	\$ -	
Nonpublic Transportation Revenue	\$ -	

343 - Madison Preparatory Academy

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

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teachers and Student Interaction Activities		
Classroom Teacher Salaries	\$ 1,924,251.38	
Other Instructional Staff Salaries	\$ 252,811.30	
Instructional Staff Employee Benefits	\$ 1,357,601.71	
Purchased Professional and Technical Services	\$ 39,776.19	
Instruction Materials and Supplies	\$ 93,990.95	
Instructional Equipment	\$ -	
Total Teacher and Student Interaction Activities		\$ 3,668,431.53
Other Instructional Activities		\$ 79,290.97
Pupil Support Services	\$ 261,841.77	
Less: Equipment for Pupil Support Services	\$ -	
Net Pupil Support Services		\$ 261,841.77
Instructional Staff Services	\$ 180,250.62	
Less: Equipment for Instructional Staff Services	\$ -	
Net Instructional Staff Services		\$ 180,250.62
School Administration	\$ 717,398.15	
Less: Equipment for School Administration	\$ -	
Net School Administration		\$ 717,398.15
Total General Fund Instructional Expenditures (Total of Column B)		\$ 4,907,213.04
Total General Fund Equipment Expenditures		\$ -
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ -
Renewable Ad Valorem Tax		\$ -
Debt Service Ad Valorem Tax		\$ -
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		\$ -
Sales and Use Taxes		\$ -
Total Local Taxation Revenue		\$ -
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ -
Earnings from Other Real Property		\$ -
Total Earnings on Investment in Real Property		\$ -
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ -
Revenue Sharing - Other Taxes		\$ -
Revenue Sharing - Excess Portion		\$ -
Other Revenue in Lieu of Taxes		\$ -
Total State Revenue in Lieu of Taxes		\$ -
Nonpublic Textbook Revenue		\$ -
Nonpublic Transportation Revenue		\$ -

Earnings from 16th Section Property	0
Earnings from Other Real Property	0
Total Local Earnings on Investment in Real Property	0

State Revenue in Lieu of Taxes:	
Revenue Sharing - Constitutional Tax	0
Revenue Sharing - Other Taxes	0
Revenue Sharing - Excess Portion	0
Other Revenue in Lieu of Taxes	0
Total State Revenue in Lieu of Taxes	0

Nonpublic Textbook Revenue	0
Nonpublic Transportation Revenue	0

CSAL, Inc.
Madison Preparatory Academy

Class Size Characteristics
As of October 1, 2021

Class Size Range	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
School Type								
Elementary								
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High	60.2%	50	34.9%	29	4.8%	4		
High Activity Classes	84.6%	11	15.4%	2	0.0%	0		
Combination								
Combination Activity Classes								

CSAL, Inc.
Louisiana Virtual Charter Academy

Class Size Characteristics
As of October 1, 2021

Class Size Range	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
School Type								
Elementary								
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination	37.6%	103	14.2%	39	17.5%	48	30.7%	84
Combination Activity Classes	78.3%	18			8.7%	2	13.0%	3