

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

Financial Report

Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Outreach Community Development Corporation, d/b/a J.S. Clark Leadership Academy (the Academy) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Academy as of June 30, 2021, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Academy's basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 27 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
December 8, 2021

FINANCIAL STATEMENTS

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

Statement of Financial Position
June 30, 2021

ASSETS

CURRENT ASSETS

Cash	\$ 1,261,223
Receivables:	
Federal grants	196,159
Other	5,861
Prepaid items	<u>17,495</u>
Total current assets	1,480,738

PROPERTY AND EQUIPMENT, NET 892,304

TOTAL ASSETS \$ 2,373,042

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 109,221
Funds held in custody for others	17,250
Accrued payroll and related liabilities	133,893
Accrued compensated absences payable	20,989
Line of credit	89,000
Current portion of capital lease obligations	27,695
Current portion of long-term debt	<u>40,735</u>
Total current liabilities	<u>438,783</u>

LONG-TERM LIABILITIES

Capital lease obligations, net of current portion	31,429
Long-term debt, net of current portion	<u>772,164</u>
Total long-term liabilities	<u>803,593</u>
Total liabilities	1,242,376

NET ASSETS

Without donor restrictions:	
Available for operations	1,110,385
Invested in property and equipment, net of related debt	<u>20,281</u>
Total net assets	<u>1,130,666</u>

TOTAL LIABILITIES AND NET ASSETS \$ 2,373,042

The accompanying notes are an integral part of this statement.

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

Statement of Activities
Year Ended June 30, 2021

NET ASSETS WITHOUT DONOR RESTRICTIONS	
REVENUES AND SUPPORT	
Minimum Foundation Program	\$ 2,246,931
Contributions	496
Erate and other	<u>12,978</u>
Total revenues and support without donor restrictions	2,260,405
Net assets released from donor restrictions	<u>1,399,870</u>
TOTAL REVENUES, SUPPORT AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>3,660,275</u>
EXPENSES	
Program services:	
Instructional	1,990,244
Non-instructional	555,652
Support services:	
Management and general	<u>961,447</u>
TOTAL EXPENSES	<u>3,507,343</u>
Increase in net assets without donor restrictions	<u>152,932</u>
NET ASSETS WITH DONOR RESTRICTIONS	
REVENUES AND SUPPORT	
Federal grants:	
21st Century Community Learning Center	406,429
Carl D. Perkins Secondary	23,103
IDEA - Part B	44,978
Jobs for Americas Graduates	81,015
National School Lunch Program	211,677
Redesign 1003 (a)	52,574
Strong Start Formula - ESSERF	111,370
Strong Start Formula - GEERF	3,350
Strong Start Incentive - ESSERF	65,856
Teacher and School Leader Incentive Grants	129,411
Title I Grants to Local Educational Agencies	136,150
Title II Supporting Effective Instruction State Grants	23,335
Title IV Student Support and Academic Enrichment	11,278
Paycheck Protection Program grant income	33,867
State grants:	
Uniforms and fees	<u>65,477</u>
TOTAL REVENUES AND SUPPORT WITH DONOR RESTRICTIONS	1,399,870
Net assets released from donor restrictions	<u>(1,399,870)</u>
Change in net assets with donor restrictions	<u>-</u>
INCREASE IN NET ASSETS	152,932
NET ASSETS AT BEGINNING OF YEAR	<u>977,734</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,130,666</u>

The accompanying notes are an integral part of this statement.

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

Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services		Support Services	Total
	Instructional	Non- instructional	Management and General	
Salary	\$ 1,164,584	\$ 103,543	\$ 439,414	\$ 1,707,541
Payroll taxes	83,394	6,514	30,661	120,569
Employee benefits	80,581	-	49,631	130,212
Technical and professional services	300,825	197,296	49,663	547,784
Materials and supplies	332,849	-	53,126	385,975
Food services	-	151,836	-	151,836
Depreciation	-	-	73,874	73,874
Transportation	8,241	96,000	-	104,241
Insurance	-	-	77,118	77,118
Small tools and equipment	14,593	-	42,927	57,520
Travel	1,212	-	4,500	5,712
Repairs and maintenance	-	-	43,970	43,970
Rent	-	-	9,690	9,690
Postage, internet and telephone	-	-	33,219	33,219
Interest	-	-	23,059	23,059
Utilities	-	-	6,416	6,416
Other and miscellaneous	3,965	463	24,179	28,607
	<u>\$ 1,990,244</u>	<u>\$ 555,652</u>	<u>\$ 961,447</u>	<u>\$ 3,507,343</u>

The accompanying notes are an integral part of this statement.

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

Statement of Cash Flows
Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 152,932
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	73,874
(Increase) decrease in-	
Federal grants receivable	74,007
Other receivables	13,727
Prepaid expenses	27,173
Increase (decrease) in -	
Accounts payable	34,442
Deferred revenue	(33,867)
Funds held in custody for others	(3,078)
Accrued payroll and related liabilities	49,559
Accrued compensated absences	3,426
Net cash provided by operating activities	<u>392,195</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Construction in progress	<u>(165,340)</u>
Net cash used by investing activities	(165,340)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on line of credit	(11,000)
Proceeds from long-term debt	500,000
Principal payments on capital lease obligations	(22,911)
Principal payments on long-term debt	<u>(46,125)</u>
Net cash provided by financing activities	<u>419,964</u>

Net increase in cash	646,819
Cash at beginning of year	<u>614,404</u>
Cash at end of year	<u>\$ 1,261,223</u>

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

Assets acquired through capital lease obligation	<u>\$ 19,330</u>
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for interest	<u>\$ 23,059</u>
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

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

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

Outreach Community Development Corporation was incorporated in January 2006, as a non-profit corporation under the laws of the State of Louisiana. The Louisiana State Board of Elementary and Secondary Education (BESE) granted the Corporation a Type 2 Charter to operate J.S. Clark Leadership Academy (the Academy), pursuant to Louisiana Revised Statute 17:3971 et seq. The charter was initially valid through June 2017 and has been extended to June 2025. BESE is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at their expiration or terminate the contract prior to expiration. The Academy's mission is to develop young adults through Project-Based Learning. The Academy started the 2020-2021 school year with approximately 256 students.

Basis of Accounting

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

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

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

Net Assets with Donor Restrictions – Net assets with donor restrictions are resources that are subject to donor-imposed or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. The Academy did not have any donor restricted net assets at June 30, 2021.

Revenue and Revenue Recognition

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

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

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The standard prescribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized. It also requires expanded disclosures about the nature, amount, and timing of revenue and cash flows. This standard is effective beginning January 1, 2019. The adoption of this new guidance did not have a material impact on the Academy's financial statements.

Revenue is recognized when earned. Program service fees and payments under cost reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Revenue with and without Donor Restrictions

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

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

Donated Services

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

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

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Income Tax Exemption

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

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

Fair Value of Financial Instruments

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

Cash

For the purposes of the statement of cash flows, cash consists of cash on hand, demand deposit and savings accounts. The Academy typically maintains cash in local banks that may, at times, exceed Federal Deposit Insurance Corporation insurance limits of \$250,000. At June 30, 2021, the Academy had cash balances of \$1,013,636 that were uninsured. Management, however, believes the credit risk associated with these deposits is minimal.

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

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables are stated at the amount management expects to collect. Based on payment the nature of the receivables, management considers all amounts to be collectible; therefore, no allowance was considered necessary as of June 30, 2021.

Property and Equipment

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

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

Functional Allocation of Expenses

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

Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$142 for the fiscal year ended June 30, 2021.

Paid Time Off (PTO)

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

At June 30, 2021, the Academy had \$20,989 in accrued sick leave related to the Chief Executive Director, whose contract provides for payout of accrued sick leave upon termination.

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

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events were evaluated through December 8, 2021, which is the date the financial statements were available to be issued.

NOTE 2 AVAILABILITY AND LIQUIDITY

The following reflects the Academy's financial assets available for general use within one year as of June 30, 2021:

Financial assets at year end:

Cash and cash equivalents	\$1,261,223
Federal grants receivable	196,159
Other receivables	5,861
Prepaid items	<u>17,495</u>
Total financial assets	1,480,738

Less: those unavailable for general expenditures

within one year, due to:

Restricted for debt repayment	<u>(157,430)</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$1,323,308</u>

NOTE 3 PROPERTY AND EQUIPMENT

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

OUTREACH COMMUNITY DEVELOPMENT CORPORATION
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Opelousas, Louisiana

Notes to the Financial Statements

NOTE 3 PROPERTY AND EQUIPMENT (CONTINUED)

Property and equipment consisted of the following at June 30, 2021:

Assets not being depreciated:	
Land	\$ 90,000
Construction in progress	<u>272,746</u>
Total assets not being depreciated	362,746
Assets being depreciated:	
Building and improvements	745,249
Furniture and equipment	448,084
Vehicles	<u>32,450</u>
Total assets being depreciated	1,225,783
Less accumulated depreciation	<u>(696,225)</u>
Assets being depreciated, net	<u>529,558</u>
Total assets, net	<u>\$ 892,304</u>

Total depreciation expense for the fiscal year ended June 30, 2021 was \$73,874.

As of June 30, 2021, the Academy had capitalized equipment acquired through capital leases with a cost of \$344,665 and corresponding accumulated amortization of \$264,131. Amortization expense for these assets was \$46,100 for the year. Amortization is included in the calculation of depreciation expense.

NOTE 4 FEDERAL GRANTS RECEIVABLE

Federal grants receivable consisted of the following at June 30, 2021:

U.S. Department of Agriculture:	
Passed through the Louisiana Department of Education	\$ 3,071
U.S. Department of Education:	
Passed through the Louisiana Department of Education	<u>193,088</u>
	<u>\$ 196,159</u>

NOTE 5 FUNDS HELD IN CUSTODY

Collections from student activities are funds under the supervision of the Academy; however, these funds belong to the student body and are not available for use in operations. At June 30, 2021 the Academy held \$17,250 in an agency capacity.

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

Notes to the Financial Statements

NOTE 6 LINE OF CREDIT

The Academy has a variable interest rate (prime plus 1.75%, or 5.0%) revolving line of credit with a borrowing limit of \$220,000 and an outstanding balance of \$89,000 at June 30, 2021. The line of credit is payable on demand and is collateralized by the Academy's deposits held with the creditor's institution. The note was renewed on September 24, 2020 and matures on September 24, 2022.

NOTE 7 LONG-TERM DEBT

Long-term debt consisted of the following notes payable at June 30, 2021:

Note payable in the original amount of \$382,500, bearing interest at 4%, payable in monthly installments of \$2,840 through September 2019, and a balloon payment of \$282,613 in October 2019. The note was refinanced in January 2020 in the amount of \$276,813, bearing interest at 5.0%, payable in monthly installments of \$2,936 through December 2024, and a balloon payment of \$158,547 in January 2025. The mortgage is collateralized by real estate. \$ 245,506

Note payable in the original amount of \$70,000, bearing interest at 6.25%, payable in monthly installments of \$515 through September 2023. The note is collateralized by real estate. 65,802

On March 9, 2020, the Academy entered into a secured note payable with the U.S. Small Business Administration to fund a construction project. The note is in the original amount of \$854,400, bearing interest at 2.75%, payable in monthly installments of \$3,552 through February 2050. 501,591

812,899

Less current portion (40,735)

Long-term portion \$ 772,164

Maturities of long-term debt are as follows:

2022	\$	40,735
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OUTREACH COMMUNITY DEVELOPMENT CORPORATION
D/B/A J.S. CLARK LEADERSHIP ACADEMY
Opelousas, Louisiana

Notes to the Financial Statements

NOTE 7 LONG-TERM DEBT (CONTINUED)

2023	56,576
2024	117,823
2025	202,638
2026	32,161
Thereafter	<u>362,966</u>
Total long-term debt	<u>\$ 812,899</u>

NOTE 8 CAPITAL LEASE OBLIGATIONS

Capital lease obligations consisted of the following at June 30, 2021:

\$7,465 capital lease obligation, interest at 4% and due in monthly installments of \$168, including interest through March 2025.	\$ 7,035
\$11,865 capital lease obligation, interest at 4% and due in monthly installments of \$267, including interest through August 2024.	9,403
\$24,973 capital lease obligation, interest at 4% and due in monthly installments of \$562, including interest through October 2022.	8,835
\$27,684 capital lease obligation, interest at 4% and due in monthly installments of \$623, including interest through April 2023.	13,295
\$9,732 capital lease obligation, interest at 4% and due in monthly installments of \$219, including interest through March 2023.	4,470
\$27,728 capital lease obligation, interest at 4% and due in monthly installments of \$624, including interest through September 2023.	<u>16,086</u>
	59,124
Less current portion	<u>(27,695)</u>
Long-term portion	<u>\$ 31,429</u>

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

Notes to the Financial Statements

NOTE 8 CAPITAL LEASE OBLIGATIONS (CONTINUED)

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

2022	\$ 29,556
2023	23,399
2024	7,092
2025	<u>1,949</u>
	61,996
Less: interest payments	<u>(2,872)</u>
Total principal payments	<u>\$ 59,124</u>

See Note 3 for the related property and equipment amounts.

NOTE 9 RETIREMENT PLAN

The Academy sponsors a 401(k) Plan which covers regular full-time employees of the Academy immediately upon employment. Participants are fully vested after three years of service. Employees may contribute up to the lesser of \$19,500 or 90% of includable compensation. Employer contributions are discretionary and amounted to \$19,393 for the year ended June 30, 2021.

NOTE 10 CONCENTRATIONS

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

	<u>Revenue</u>	<u>Receivables</u>
Minimum foundation program	61%	0%
Federal grants	36%	97%

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

Notes to the Financial Statements

NOTE 11 LEASE COMMITMENT

On August 1, 2020, the Academy entered into several operating lease agreements for student transportation with a third-party vendor. These lease agreements are payable in twelve monthly installments for the term of the leases. The agreements require the Academy to provide liability and physical damage insurance coverage of the leased assets (school busses). The monthly rent under these obligations is \$8,000. The total rent paid during the year ended June 30, 2021 was \$96,000. The agreement was renewed on August 1, 2021 under the same terms. Future minimum lease payments for the year ending June 30, 2022 amount to \$96,000.

NOTE 12 PENDING LITIGATION

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

NOTE 13 COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus (Covid-19) was reported to have surfaced in China. The World Health Organization has characterized Covid-19 as a pandemic. The extent of the impact of Covid-19 on the operational and financial performance of the Academy will depend on certain developments, including the duration and spread of the outbreak, impact on donors, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which Covid-19 may impact the Academy's financial condition is uncertain.

As a result of the COVID-19 pandemic, under the Elementary and Secondary School Emergency Relief Fund (ESSER Fund) and the Government Emergency Education Relief Fund (GEER Fund), the Department of Education has awarded grants to State Educational Agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation. LEAs must provide equitable services to students and teachers in non-public schools as required under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Academy was awarded \$1,576,236 under the CARES Act ESSERF grant. The award period is from May 1, 2020 to September 30, 2021. As of June 30, 2021, the Academy had earned \$187,821 of the ESSERF funding. The Academy was awarded \$3,350 under the CARES Act GEERF grant. The award period is from May 1, 2020 to September 30, 2021. The financial statements reflect \$3,350 in related revenue as of June 30, 2021.

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

Notes to the Financial Statements

NOTE 14 PAYCHECK PROTECTION PROGRAM FUNDS

On April 20, 2020, the Academy received loan proceeds in the amount of \$352,652 under the Paycheck Protection Program (“PPP”). The Academy is accounting for the PPP funding as a conditional contribution under ASC 958-605. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying entities for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the prescribed period.

For the year ended June 30, 2020, the Academy substantially met all of the conditions of the PPP funds and recorded grant revenue equal to the qualifying expenses incurred through that date. The remaining \$33,867 was recognized as deferred revenue within the statement of financial position and was recorded as grant revenue for the year ended June 30, 2021 (since a portion of the qualifying expenses equal to the same amount were incurred within the fiscal year 2021). The Academy filed for and was granted full forgiveness of the loan from the Small Business Administration (SBA).

SUPPLEMENTARY INFORMATION

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

Schedule of Compensation, Benefits, and Other Payments to Agency Head
Year Ended June 30, 2021

Agency Head Name: Tiffanie Lewis

<u>Purpose</u>	<u>Amount</u>
Salary - Executive Director	\$ 122,633
Salary - Teachers Incentive Fund, Talent Pipeline	27,750
Salary - Stipend	14,008
Salary - Food Service	12,367
Benefits - insurance	20,362
Benefits - retirement	3,535
Cell phone	498
Expense allowance	3,600
Travel allowance	<u>4,500</u>
Total	<u>\$ 209,253</u>

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



OTHER LOCATIONS:

Eunice Morgan City Abbeville

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Darnall, Sikes & Frederick
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
December 8, 2021



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

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

Report on Compliance for Each Major Federal Program

We have audited the Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy'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 the Academy's major federal programs for the year ended June 30, 2021. The Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements, laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Academy 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 Academy'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 Academy'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.

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
December 8, 2021

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

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program Name	Grantor Project Number	CFDA Number	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Louisiana Department of Education:			
Child Nutrition Cluster - School Breakfast Program		10.553	64,641
Child Nutrition Cluster - School Lunch Program		10.555	97,856
Total Child Nutrition Cluster			<u>162,497</u>
Child and Adult Care Food Program		10.558	15,063
Total U.S. Department of Agriculture			<u>177,560</u>
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>			
Passed through the Louisiana Department of Education:			
477 Cluster - Temporary Assistance for Needy Families		93.558	81,015
Total U.S. Department of Health & Human Services			<u>81,015</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through the Louisiana Department of Education:			
Special Education Cluster (IDEA)			
Individuals with Disabilities Education Act (IDEA) Part B 611	28-21-B1-vn	84.027A	44,978
Total Special Education Cluster (IDEA)			44,978
Education Stabilization Fund Program:			
Emergency and Secondary School Emergency Relief Fund (ESSERF) - Formula		84.425D	111,370
Emergency and Secondary School Emergency Relief Fund (ESSERF) - Incentive		84.425D	65,856
Government Emergency Education Relief Fund (GEERF)		84.425C	3,350
Total Education Stabilization Fund Program			<u>180,576</u>
Title I Grants to Local Educational Agencies	28-21-T1-vn	84.010A	131,427
Title I Redesign 1003	28-20-RD19-vn	84.010	52,574
Title I Direct Student Services	28-21-DSS-vn	84.010	4,657
Career and Technical Education - Carl Perkins Grant		84.048	23,103
21st Century Community Learning Center	28-21-2C-0U	84.287C	406,429
Title II Supporting Effective Instruction State Grants	28-21-50-vn	84.367A	23,335
Title IV Student Support and Academic Enrichment		84.424A	11,278
Teacher and School Leader Incentive Grants	28-21-TP-VN	84-374A	120,864
PBCS Teacher Incentive Fund		84-374A	8,547
Total U.S. Department of Education			<u>1,007,768</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$1,266,343</u>

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

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy (the Academy) under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position or changes in net assets of the Academy.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 4 INDIRECT COST RATE

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

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

Summary Schedule of Prior Year Findings
Year Ended June 30, 2021

This section is not applicable for the year ended June 30, 2021 as there were no findings for the year ended June 30, 2020.

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

Schedule of Findings and Responses
Year Ended June 30, 2021

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy's financial statements as of and for the year ended June 30, 2021.

Deficiencies in Internal Control – Financial Reporting

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

Noncompliance – Financial Reporting

There was one material instance of noncompliance noted during the audit of the financial statements.

FEDERAL AWARDS

Auditor's Report – Major Programs

An unmodified opinion has been issued on Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy's compliance with the requirements of its major programs as of and for the year ended June 30, 2021.

Risk Consideration

The Academy was considered a low-risk auditee for the year ended June 30, 2021.

Major Programs – Identification:

21st Century Community Learning Centers (21st CCLC) CFDA 84.287C

Program Type Determination

The dollar threshold to distinguish between Type A and Type B programs was \$750,000 for the fiscal year ended June 30, 2021. The Academy had no Type A programs for the year.

Deficiencies in Internal Control – Major Programs

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

Noncompliance – Major Programs

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

MANAGEMENT LETTER

A management letter was not issued for the fiscal year ended June 30, 2021.

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

Schedule of Findings and Responses (Continued)
Year Ended June 30, 2021

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

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

Criteria: Louisiana Revised Statute 42:1113 states, “No public servant...or member of such a public servant’s immediate family, or legal entity in which he has a controlling interest shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.”

Condition: The Academy periodically contracts with a company owned by a family member of the Board President. During the fiscal year ended June 30, 2021, the Academy made total payments to the company of \$3,840.

Cause: Failure to comply with the Louisiana Code of Governmental Ethics.

Effect: Possible violation of the Louisiana Code of Governmental Ethics.

Recommendation: The Academy should review the relationship with its legal counsel and the Louisiana Board of Ethics. If it is found to be prohibited, the relationship should be terminated.

Views of Responsible Officials and Planned Corrective Actions: This information is in the Academy’s separate Management’s Corrective Action Plan for Current Year Findings and Management Comments.

Part 3: Findings and Questioned Costs Relating to Federal Programs

This section is not applicable for the year ended June 30, 2021

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

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2021

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

The vendor services contract predates the immediate family member joining the Board. Consequently, the pre-existing contract may not be a violation of the Louisiana Code of Ethics. The vendor relationship will be reviewed with legal counsel and the Louisiana Board of Ethics. If it is found to be prohibited, the relationship will be terminated.

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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the management of Outreach Community Development Corporation d/b/a J.S. Clark Leadership Academy (the Academy), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Academy for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education, in compliance with Louisiana Revised Statute 24:514.1. Management of the Academy is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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:

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

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

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

Exceptions Noted: None

Class Size Characteristics (Schedule 2)

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

Exceptions Noted: None

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

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

Procedures indicated testing a random sample of 25 teachers. However, the Academy only employed 19 teachers as of October 1, 2020; therefore, we tested the entire population.

Exceptions Noted: None.

Public School Staff Data: Average Salaries (No Schedule)

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

Procedures indicated testing a random sample of 25 teachers. However, the Academy only employed 19 teachers as of year-end; therefore, we tested the entire population.

Exceptions Noted: None

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Outreach Community Development Corporation D/B/A J.S. Clark Leadership Academy, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 8, 2021

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

Schedule 1 – General Fund Instructional and Support
Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2021

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 717,684	
Other Instructional Staff Activities	30,335	
Instructional Staff Employee Benefits	59,377	
Purchased Professional and Technical Services	74,633	
Instructional Materials and Supplies	30,891	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 912,920

Other Instructional Activities 138,545

Pupil Support Activities 10,454
Less: Equipment for Pupil Support Activities -
Net Pupil Support Activities 10,454

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

School Administration 437,314
Less: Equipment for School Administration -
Net School Administration 437,314

Total General Fund Instructional Expenditures \$ 1,499,233

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

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

Local Earnings on Investments in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

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

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

Schedule 2 – Class Size Characteristics
As of October 1, 2020

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Elementary Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Middle/Jr. High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Middle/Jr. High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination	96.8%	120	3.2%	4	0.0%	-	0.0%	-
Combination Activity Classes	95.0%	19	5.0%	1	0.0%	-	0.0%	-

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