

PATHWAYS IN EDUCATION - LOUISIANA, INC.
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020



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PATHWAYS IN EDUCATION - LOUISIANA, INC.
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YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pathways in Education - Louisiana, Inc.
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Pathways in Education - Louisiana, Inc. (the School), a nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free of 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 auditors' 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 on page one present fairly, in all material respects, the financial position of the School as of June 30, 2020, 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 School's financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments the agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedules required by Louisiana State Law, included as Schedules 1 and 2, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combining financial statements. We have applied certain limited procedures, which are described in the Independent Accountants' Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2020 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
December 14, 2020

PATHWAYS IN EDUCATION - LOUISIANA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,792,056
Prepaid Expenses and Other Assets	29,239
Total Current Assets	1,821,295

LONG-TERM ASSETS

Deposits	11,800
Property, Plant and Equipment	681,940
Total Long-Term Assets	693,740

Total Assets	\$ 2,515,035
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 111,401
Due to Related Parties	49,508
Loan Payable - Current Portion	45,961
Total Current Liabilities	206,870

LONG-TERM LIABILITIES

Loan Payable	153,039
Total Long-Term Liabilities	153,039

Total Liabilities	359,909
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NET ASSETS

Without Donor Restriction	2,155,126
Total Net Assets	2,155,126

Total Liabilities and Net Assets	\$ 2,515,035
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See accompanying Notes to Financial Statements.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

REVENUES, WITHOUT DONOR RESTRICTION

Minimum Foundation Program	\$ 2,923,101
Total Revenues Without Donor Restriction	<u>2,923,101</u>

EXPENSES

Program Services	2,409,640
Management and General	<u>184,865</u>
Total Expenses	<u><u>2,594,505</u></u>

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION

328,596

Net Assets Without Donor Restriction - Beginning of Year

1,826,530

NET ASSETS WITHOUT DONOR RESTRICTION - END OF YEAR

\$ 2,155,126

See accompanying Notes to Financial Statements.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets Without Donor Restrictions	\$	328,596
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation		168,864
Change in Operating Assets:		
Accounts Receivable		237
Prepaid Expenses and Other Assets		(158)
Change in Operating Liabilities:		
Accounts Payable and Accrued Liabilities		(20,124)
Net Cash Provided by Operating Activities		477,415

CASH FLOWS from FINANCING ACTIVITIES:

Proceeds from Debt		199,000
Repayments to Related Parties		(447,426)
Net Cash Used by Financing Activities		(248,426)

NET CHANGE IN CASH AND CASH EQUIVALENTS

228,989

Cash and Cash Equivalents - Beginning of Year

1,563,067

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,792,056

See accompanying Notes to Financial Statements.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 996,586	\$ -	\$ 996,586
Pension Expense	14,737	-	14,737
Other Employee Benefits	173,209	-	173,209
Payroll Taxes	73,446	-	73,446
Management Fees	357,530	63,094	420,624
Instructional Materials	234,462	-	234,462
Other Fees for Services	104,413	8,182	112,595
Advertising and Promotion Expenses	-	10,284	10,284
Office Expenses	-	97,307	97,307
Information Technology Expenses	-	855	855
Occupancy Expenses	210,031	-	210,031
Travel Expenses	19,407	2,410	21,817
Interest Expense	-	1,511	1,511
Depreciation Expense	168,864	-	168,864
Insurance Expense	56,955	-	56,955
Other Expenses	-	1,222	1,222
	<u> </u>	<u> </u>	<u> </u>
Total Functional Expenses	<u>\$ 2,409,640</u>	<u>\$ 184,865</u>	<u>\$ 2,594,505</u>

See accompanying Notes to Financial Statements.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Pathways in Education - Louisiana, Inc. (the School) was originally formed August 29, 2008, under the name of Pathways in Education - New Orleans, Inc. Effective July 23, 2012, Pathways in Education - New Orleans, Inc. changed its corporate name to Pathways in Education - Louisiana, Inc. The corporation was dormant until February 10, 2014.

The School is a Louisiana nonprofit corporation, formed exclusively for educational purposes. On July 1, 2014, the School entered into a Type 1 charter school contract with Caddo Parish School Board (CPSB) to operate an alternative school for students from ninth to twelfth grade in Caddo Parish, Louisiana. The charter agreement with CPSB is for an initial term of five years, contingent upon the results of the reporting requirements at the end of the third year as provided in LA R.S. 17:3998 (A)(2) and may be renewed at the discretion of CPSB. The School opened its first campus in Shreveport for the 2014/2015 School year. The School opened its second campus in Shreveport for the 2015/2016 School year.

The School is an independent nonprofit entity, separate and distinct from the Caddo Parish School Board, the primary government and reporting entity. However, the School is a component unit of CPSB and the School's financial statements are included in the CPSB's basic financial statements as a component unit.

The School received 100% of its total revenues from state grantors.

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

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, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Accounts Receivable

Accounts receivable primarily represent amounts due from governments as of June 30, 2020. Management believes that all receivables are fully collectible, therefore, no provisions for uncollectible accounts were recorded.

Property and Equipment

Property and equipment is capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair market values as of the date received. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets (five years) for furniture, fixtures and equipment. Leasehold improvements are depreciated over the lesser of the useful life of the asset or the lease term.

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Compensated Absences

The Charter School's policy permits employees to accumulate earned but not used time off up to 300 hours.

Revenue Recognition

Amounts received from the State Public School Fund are conditional and recognized as revenue by the School based on enrollment of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision has been made for income taxes. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files and exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Change in Accounting Principle

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenues from Contracts with Customers (Topic 606)*. The update establishes the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. The School has early adopted the implementation of ASU 2014-09 under the full retrospective approach. There was no material impact on the School's financial position and results of operations upon adoption of the new standard.

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The School has implemented ASU 2018-08 under the full retrospective approach. There was no material impact on the School's financial position and results of operations upon adoption of the new standard.

Evaluation of Subsequent Events

The School has evaluated subsequent events through December 14, 2020, the date these financial statements were available to be issued.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of \$1,792,056.

As part of the School's management plan, the School invests cash in excess of daily requirements in short term investments, CDs, and money market funds.

NOTE 3 CONCENTRATION OF CREDIT RISK

The School maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

The Charter School received the majority of its total revenues from the state of Louisiana, subject to its charter school contract with CPSB for the year ended June 30, 2020.

NOTE 4 OPERATING LEASES

PMG has entered into various agreements with unrelated parties to lease real estate and buildings for the operation of the Charter School. The Charter School is responsible for reimbursing PMG for payments made under the leasing agreements. The Charter School is committed to pay PMG the following lease payments:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 140,918
2022	145,716
2023	145,716
2024	145,716
2025	<u>67,529</u>
Total	<u><u>\$ 645,595</u></u>

NOTE 5 RELATED PARTY TRANSACTIONS

The School entered into a \$2,500,000 line of credit with Pathways Management Group, Inc. (PMG), a related party. PMG and the School share similar officers. Interest and principal are due March 27, 2024. Interest shall accrue on the principal sum, or any other advances made at the lowest published Applicable Federal Rates (AFR) in the month in which any disbursements are made. The line of credit is secured by program fees and revenues received by the School. The School has no outstanding balance for the line of credit as of June 30, 2020. Interest expenses for the year ended June 30, 2020, related to this line of credit was \$1,511.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 RELATED PARTY TRANSACTIONS (CONTINUED)

The School has entered into a management services and property agreement with PMG, a related party. The agreement states that PMG shall be entitled to a management fee for its services. The management fee is set at \$127 per student served per month. For the year ended June 30, 2020, management fee expense totaled \$420,624.

NOTE 6 PAYCHECK PROTECTION PROGRAM LOAN

The School obtained a loan in the amount of \$199,000 through the Paycheck Protection Program administered by the U.S. Small Business Administration which is part of the Coronavirus Aid Relief and Economic Security Act. The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the organization fails to apply for forgiveness within ten months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the School will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in 2021.

Principal and interest payments will be required through the maturity date in 2022 as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 45,961
2022	153,039
Total	<u>\$ 199,000</u>

NOTE 7 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include management fees, consulting service and travel, which are allocated on the basis of contractual terms.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 CONTINGENCIES AND COMMITMENTS

The School has received state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

The extent of the impact of COVID-19 on the operational and financial performance of the School will depend on certain developments, including the duration and spread of the outbreak, impact on state funding, 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 financial condition or results of operations of the School is uncertain.



**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**

Board of Directors
Pathways in Education - Louisiana, Inc.
Shreveport, 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 Pathways in Education - Louisiana, Inc. (the School), a nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 14, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) 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 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 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.

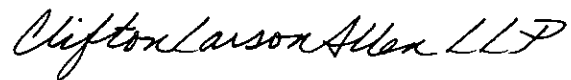
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Glendora, California
December 14, 2020

**PATHWAYS IN EDUCATION - LOUISIANA, INC.
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2020**

There were no findings for the year ended June 30, 2020.

**PATHWAYS IN EDUCATION - LOUISIANA, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2019**

There were no findings for the year ended June 30, 2019.

PATHWAYS IN EDUCATION - LOUISIANA, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD
YEAR ENDED JUNE 30, 2020

Agency Head:

Purpose	Amount
Salary	\$ 60,981
Benefits - Employer Portion of Retirement	410
Benefits - Employer Portion of Medical/Dental/Vision	13,897
Other Compensation	5,335
Total	\$ 80,623

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



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Pathways in Education - Louisiana, Inc.
Shreveport, Louisiana

We have performed the procedures enumerated below, which were agreed to by Pathways in Education - Louisiana, Inc. (the School); 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 School for the fiscal year ended June 30, 2020; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin 126, in compliance with Louisiana Revised Statute 24:514 I. Management of the School 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.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly, based on description and nature of the revenue/expense, 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, and
 - Nonpublic Transportation Revenue.

Findings:
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 all classes to the October 1st roll books for those classes and determined if the class was accurately classified on the schedule.

Findings:

None.

Education Levels of Public School Staff (NO SCHEDULE)

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

Findings:

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 the (City or Parish School Board or Charter School), 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.



CliftonLarsonAllen LLP

Glendora, California
December 14, 2020

PATHWAYS IN EDUCATION - LOUISIANA, INC.
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND CERTAIN LOCAL
REVENUE SOURCES
SCHEDULE 1
YEAR ENDED JUNE 30, 2020

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

General Fund Instructional and Equipment Expenditures	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	998,471	
Other Instructional Staff Activities	439	
Instructional Staff Employee Benefits	276,894	
Other Purchased Services	-	
Instructional Materials and Supplies	44,474	
Instructional Equipment	0.00	
Total Teacher and Student Interaction Activities		\$ 1,320,278
Other Instructional Activities		196,319
Pupil Support Services	-	
Less: Equipment for Pupil Support Services		
Net Pupil Support Services	-	-
Instructional Staff Services	-	
Less: Equipment for Instructional Staff Services		
Net Instructional Staff Services	-	-
School Administration	3,844	
Less: Equipment for School Administration		
Net School Administration	-	3,844
Total General Fund Instructional Expenditures (Total of Column B)		\$ 1,520,441
Total General Fund Equipment Expenditures (Object 730; Functional Series 1000-4000)		\$ 2,594,505
Local Revenue Sources		
Other Revenue from Local Sources:		
Contributions and Donations		-
Miscellaneous Revenues:		
Other Miscellaneous Revenues		-
Total Revenues from Local Sources		\$ -

PATHWAYS IN EDUCATION - LOUISIANA, INC.
CLASS-SIZE CHARACTERISTICS
SCHEDULE 2
YEAR ENDED JUNE 30, 2020
(See Independent Accountants' Report on Agreed-Upon Procedures)

Class Size Characteristics
As of October 1, 2019

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary								
Elementary Activity Class								
Middle High								
Middle High Activity Class								
High	44	60%	4	5%	7	10%	18	25%
High Activity Class								
Combination								
Combination Activity Class								

