

FOUNDATION FOR LOUISIANA STUDENTS

FINANCIAL STATEMENTS

June 30, 2022 and 2021



UNIVERSITY VIEW ACADEMY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Foundation for Louisiana Students
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Foundation for Louisiana Students (a nonprofit organization) d/b/a University View Academy (the "School"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University View Academy as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards and the Summary of Compensation, Benefits and Other Payments to Agency Heads is presented for purposes of additional analysis of the financial statements rather than to present the financial position, results of operations, and cash flows of the School, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 a report dated January 24, 2023, on our consideration of University View Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 University View Academy'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 University View Academy's internal control over financial reporting and compliance.

Metairie, Louisiana
January 24, 2023

Wegmann Bazet

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash	\$ 16,901,232	\$ 7,528,825
Federal grants receivables	2,897,010	2,668,318
Prepaid expenses	62,954	176,211
Property and equipment, at cost less accumulated depreciation	12,242,020	11,308,481
Other assets	<u>21,401</u>	<u>21,041</u>
Total assets	<u><u>\$ 32,124,617</u></u>	<u><u>\$ 21,702,876</u></u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 728,238	\$ 188,295
Accrued payroll and related liabilities	<u>1,622,902</u>	<u>1,459,164</u>
Total liabilities	<u>2,351,140</u>	<u>1,647,459</u>
NET ASSETS		
Without donor restrictions	<u>29,773,477</u>	<u>20,055,417</u>
Total net assets	<u>29,773,477</u>	<u>20,055,417</u>
Total liabilities and net assets	<u><u>\$ 32,124,617</u></u>	<u><u>\$ 21,702,876</u></u>

See Independent Auditors' Report and accompanying Notes to Financial Statements.

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2022 and 2021

	2022	2021
Revenues and other support		
State and local pupil aid - Minimum Foundation Program	\$ 39,866,994	\$ 34,330,588
Federal sources	5,411,003	3,901,891
Other	66,781	32,833
Total revenues and other support	45,344,778	38,265,312
Expenses		
Program services:		
Regular Education	19,329,984	16,519,499
Special Education	2,313,586	1,835,331
Other Education	5,347,441	4,453,289
Supporting services:		
Management and general	8,635,707	9,169,055
Total expenses	35,626,718	31,977,174
Change in net assets	9,718,060	6,288,138
Net assets at beginning of year	20,055,417	13,767,279
Net assets at end of year	\$ 29,773,477	\$ 20,055,417

See Independent Auditors' Report and accompanying Notes to Financial Statements.

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	Program Services			Total Program Services	Support Services	Total
	Regular Education	Special Education	Other Education		Management and General	
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 156,815	\$ 156,815
Audit services	-	-	-	-	75,843	75,843
Communications	1,275,901	66,907	726,583	2,069,391	336,147	2,405,538
Contracted services	148,864	141,434	112,745	403,043	1,313,029	1,716,072
Depreciation expense	-	-	-	-	330,453	330,453
Dues and fees	1,330	-	-	1,330	148,662	149,992
Employee benefits	4,167,265	478,160	489,766	5,135,191	866,498	6,001,689
Insurance	-	-	-	-	403,254	403,254
Legal services	-	-	-	-	288,577	288,577
Materials and supplies	629,872	83,759	1,356,701	2,070,332	62,726	2,133,058
Miscellaneous	12	-	-	12	13,573	13,585
Other professional services	479,970	16,023	143,829	639,822	755,870	1,395,692
Rental expenses	21,235	-	-	21,235	81,078	102,313
Repairs and maintenance	-	-	-	-	372,735	372,735
Salaries	10,982,525	1,387,082	2,113,510	14,483,117	2,836,990	17,320,107
Student services	29,921	-	148,435	178,356	3,000	181,356
Technology	1,009,616	137,767	215,228	1,362,611	437,891	1,800,502
Travel	583,473	2,454	40,644	626,571	28,510	655,081
Utilities	-	-	-	-	124,056	124,056
Total expenses	\$ 19,329,984	\$ 2,313,586	\$ 5,347,441	\$ 26,991,011	\$ 8,635,707	\$ 35,626,718

See Independent Auditors' Report and accompanying Notes to Financial Statements.

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program Services			Total Program Services	Support Services	Total
	Regular Education	Special Education	Other Education		Management and General	
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 151,876	\$ 151,876
Audit services	-	-	-	-	53,076	53,076
Communications	867,781	9,825	361,380	1,238,986	402,185	1,641,171
Contracted services	257,374	166,403	65,700	489,477	1,689,010	2,178,487
Depreciation expense	-	-	-	-	329,346	329,346
Dues and fees	2,974	-	-	2,974	81,365	84,339
Employee Benefits	3,069,662	379,005	293,314	3,741,981	860,661	4,602,642
Food service	-	-	-	-	7,290	7,290
Insurance	-	-	-	-	266,573	266,573
Legal services	-	-	-	-	107,131	107,131
Materials and supplies	620,544	13,530	2,093,289	2,727,363	39,140	2,766,503
Miscellaneous	1,787	-	-	1,787	5,207	6,994
Other professional services	221,291	6,158	28,215	255,664	787,038	1,042,702
Rental expenses	22,483	-	-	22,483	114,730	137,213
Rentals - one time	-	-	-	-	207,888	207,888
Repairs and maintenance	-	-	-	-	452,816	452,816
Salaries	10,707,879	1,258,033	1,483,511	13,449,423	3,013,035	16,462,458
Student services	43,398	-	104,908	148,306	3,605	151,911
Technology	305,912	2,377	-	308,289	454,632	762,921
Travel	398,414	-	22,972	421,386	19,783	441,169
Utilities	-	-	-	-	122,668	122,668
Total expenses	<u>\$ 16,519,499</u>	<u>\$ 1,835,331</u>	<u>\$ 4,453,289</u>	<u>\$ 22,808,119</u>	<u>\$ 9,169,055</u>	<u>\$ 31,977,174</u>

See Independent Auditors' Report and accompanying Notes to Financial Statements.

FOUNDATION FOR LOUISIANA STUDENTS
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 9,718,060	\$ 6,288,138
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	330,453	329,346
(Increase) decrease in operating assets:		
Federal grant receivables	(228,692)	(1,335,094)
Prepaid expenses	113,257	(9,934)
Other assets	(360)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	539,943	97,059
Accrued payroll and related liabilities	163,738	(1,044,486)
Net cash provided by operating activities	<u>10,636,399</u>	<u>4,325,029</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(1,263,992)</u>	<u>-</u>
Net cash used by investing activities	<u>(1,263,992)</u>	<u>-</u>
Net increase	9,372,407	4,325,029
Cash and cash equivalents at beginning of year	<u>7,528,825</u>	<u>3,203,796</u>
Cash and cash equivalents at end of year	<u>\$ 16,901,232</u>	<u>\$ 7,528,825</u>

See Independent Auditors' Report and accompanying Notes to Financial Statements.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

1) The Organization

Foundation for Louisiana Students d/b/a University View Academy (the “School”) is a not-for-profit corporation established in the State of Louisiana to operate a charter school, to leverage technology to help each participating student maximize his or her potential and meet the highest performance standards using a uniquely individualized learning program that combines the best in virtual education with unique technology-based teacher productivity tools and very real connections among students, family, teachers, and the community. The Board of Elementary and Secondary Education (BESE) granted a charter to the School to operate as a Type 2 Charter School. As of December 15, 2021, BESE approved a subsequent renewal of the charter contract for a term of three years. The School provides educational services to students in kindergarten through twelfth grades throughout Louisiana, and is funded primarily through state and local pupil aid assistance.

2) Summary of significant accounting policies

a) Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recorded when earned and expenses at the time liabilities are incurred.

b) Basis of presentation

The financial statements of the School have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the School to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the School's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

c) Cash and cash equivalents

For purposes of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered cash equivalents. During the year, cash may consist of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution. At June 30, 2022 and 2021, there were no restricted cash balances.

d) Property and equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to forty years. The School's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. The School's management periodically evaluates whether events or circumstances have occurred

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

2) Summary of significant accounting policies (continued)

d) Property and equipment (continued)

indicating that the carrying amount of long-lived assets may not be recovered.

All assets acquired with public funds are the property of the School for the duration of the charter. If the charter is revoked or surrendered, or the School otherwise ceases to operate, all assets purchased with public funds will automatically revert to full ownership by BESE or the appropriate agency.

e) State and Federal funding

The School receives grants from the private and public sectors. The public sector grants are for specific purposes and are passed through the Louisiana Department of Education. Additionally, the School receives Minimum Foundation Program (MFP) funding from the Louisiana Department of Education through the Louisiana Board of Elementary and Secondary Education according to the per student funding formula set forth by the Department of Education and an apportionment of local taxes. Substantially all state grants and support are without donor restrictions. A substantial portion of federal grants are expenditure driven and as such is classified as without donor restrictions in the statement of activities and changes in net assets. An accrual is made when eligible expenses are incurred. As of June 30, 2022 and 2021, grants receivables totaled \$2,897,010 and \$2,668,318, respectively, which was a receivable for federal grants passed through the Louisiana Department of Education. The balance is considered fully collectible.

f) Recognition of donor restricted contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. Restricted net assets whose restrictions are met in the same reporting period are reported as unrestricted net assets.

g) Income tax status

The School has received a tax-exempt ruling under Section 501(c)(3) of the Internal Revenue Code, and accordingly, is not subject to federal taxes unless the School has unrelated trade or business income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of June 30, 2022, management of the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in these financial statements. With few exceptions, the School is not subject to U.S. federal and state income tax examinations by tax authorities beyond three years from the filing of those returns.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

2) Summary of significant accounting policies (continued)

h) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

i) Accrued payroll

Teachers at the School may be paid over twelve months, even though school is only in session for ten months. The salary for the current school year that is paid subsequent to June 30, 2022 is recorded in accrued payroll and related liabilities on the statements of financial position.

j) Compensated absences

All full-time twelve (12) month employees of the School receive between fifteen (15) to twenty (20) days of annual leave depending on length of service. Annual leave may be accumulated and carried forward up to a maximum of thirty (30) days. Unused annual leave is paid to employees upon termination. All employees receive between ten (10) to thirteen (13) days of sick leave depending on classification as a ten-month or twelve-month employee. Sick leave may be accumulated and carried forward without limitation; however, unused sick leave is not paid upon termination. It is the School's policy to recognize the cost of compensated absences for annual leave when earned by employees. Compensated absences for annual leave, which is included in accrued payroll and related liabilities, was approximately \$267,000 and \$258,000 as of June 30, 2022 and 2021, respectively.

k) Functional expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification and then allocation if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort.

l) Advertising

The School expenses advertising as incurred. Advertising expense for the years ended June 30, 2022 and 2021 was approximately \$157,000 and \$152,000, respectively.

m) Donated assets

Noncash donations are recognized at their estimated fair values at the date of donation.

3) Property and equipment

A summary of property and equipment as of June 30, 2022 and 2021 follows:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 816,898	\$ 816,898
Buildings and building improvements	10,083,323	8,831,674
Land and land improvements	3,058,918	3,046,575
Less: accumulated depreciation	<u>(1,717,119)</u>	<u>(1,386,666)</u>
Property and equipment	<u>\$ 12,242,020</u>	<u>\$ 11,308,481</u>

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

4) Concentrations of credit risk

The School maintains its cash balances in one financial institution, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The uninsured bank balances totaled \$17,206,275 and \$7,609,446 at June 30, 2022 and 2021, respectively. The School has not experienced any losses in such accounts. The School has no policy requiring collateral or other security to support its deposits.

5) Liquidity and availability

The School's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. The School regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources the School has available. In addition, the School operates with a budget to monitor sources and uses of funds throughout the year. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2022:

Cash	\$ 16,901,232
Federal grants receivable	2,897,010
	<u>\$ 19,798,242</u>

6) Retirement plan

The School has a 403(b) plan for all eligible employees. Employees are 100% vested immediately upon participation. Eligible employees may contribute up to the maximum allowed by the Internal Revenue Service (IRS). The School may make matching contributions at its discretion. The School match for the years ended June 30, 2022 and 2021 totaled approximately \$1,158,000 and \$1,105,000, respectively.

The School sponsors a 457(b) Deferred Compensation Plan for all eligible employees. The plan does not require matching contributions.

7) Leases

The School leases facilities for the operations of UVA Charter School in Tallulah, Louisiana under non-cancelable operating lease agreements. Monthly payments on the leases range from \$634 to \$5,575. Total rent expense under the terms of these agreements was \$-0- and \$207,888 for the years ended June 30, 2022 and 2021, respectively.

The School leases three passenger school buses for the operations of UVA Charter School under a lease that began on July 1, 2020 and expired June 30, 2021. The lease was paid in one annual payment of \$51,000 at the commencement of the lease.

8) Line of credit

The School had a \$1,500,000 line of credit with a financial institution at an annual variable interest rate and is unsecured. The line of credit matured on March 8, 2021 and has not been renewed.

9) Cooperative Endeavor Agreement

The School had a Cooperative Endeavor agreement with Madison-Tallulah Education Center d/b/a Tallulah Charter School whereas the School operated the charter school, UVA Charter School, at the former Tallulah Charter School. The School's last day of operating the former Tallulah Charter School was June 9, 2021.

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

10) Commitments and contingent liabilities

a) State funding

The continuation of the School is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contracts with BESE. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contracts, or if such appropriation is reduced by the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues from 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 contracts, the contracts shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

b) Litigation

The School is contingently liable for claims and judgments resulting from lawsuits incidental to normal operations. In the opinion of the School's management and legal counsel, adverse decisions that might result, to the extent not covered by insurance, would not have a material effect on the financial statements. No provision has been made in the financial statements for possible losses of this nature.

11) New accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statements of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021. The School is currently assessing the impact of this pronouncement on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This accounting standard improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. The standard is effective for annual reporting periods beginning after December 15, 2021. Management is currently assessing the impact of this pronouncement on its financial statements.

12) Concentration of revenues

The School received 88% of its revenue from MFP funding and 12% from federal grants passed through the Louisiana Department of education during the year ended June 30, 2022. The School received 90% of its revenue from MFP funding and 10% from federal grants passed through the Louisiana Department of education during the year ended June 30, 2021.

13) Subsequent events

Management has evaluated subsequent events through the date of the auditors' report, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these financial statements.

FOUNDATION FOR LOUISIANA STUDENTS
SUMMARY OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR SUPERINTENDENT

For the Year Ended June 30, 2022

Michelle Clayton, Superintendent – July 1, 2021 – February 1, 2022

Purpose	Amount
Salary	\$218,675
Cell phone	1,125
Benefits	20,760
Benefits – Health Insurance	13,032
Benefits – FICA and Medicare	11,453

Shana King, Interim Superintendent – February 1, 2022 – June 30, 2022

Purpose	Amount
Salary	\$52,276
Cell phone	-
Benefits	8,851
Benefits – Health Insurance	7,018
Benefits – FICA and Medicare	7,457

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

To the Board of Directors
Foundation for Louisiana Students
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Foundation for Louisiana Students d/b/a University View Academy (the "School"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 24, 2023.

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, and 2022-004 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation for Louisiana Students' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

Foundation for Louisiana Students' Response to Findings

Foundation for Louisiana Students' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

January 24, 2023
Metairie, Louisiana

Wegmann Bazet

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

To the Board of Directors
Foundation for Louisiana Students
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Foundation for Louisiana Students d/b/a University View Academy's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of University View Academy's major federal programs for the year ended June 30, 2022. University View Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of University View Academy and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of University View Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to University View Academy's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on University View Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not

detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about University View Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding University View Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of University View Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of University View Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

January 24, 2023
Metairie, Louisiana

Wegmann Bazet

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal ALN Number	Pass- Through Grantor's Number	Federal Expenditures
United States Department of Education			
Passed through Louisiana Department of Education			
Title I Grants to Local Educational Agencies	84.010A	N/A	\$ 1,367,197
Title I – Redesign 1003a	84.010A	N/A	47,956
Title I – Direct Student Services	84.010A	N/A	47,854
Total Title I Grants to Local Educational Agencies			\$ 1,463,007
COVID-19 - Education Stabilization Fund - ESSERF II FORMULA	84.425D	N/A	498,826
COVID-19 - Education Stabilization Fund - ESSERF Formula	84.425D	N/A	28,405
COVID-19 - Education Stabilization Fund - ESSER III EB Interventions	84.425U	N/A	623,633
COVID-19 - Education Stabilization Fund - ESSERF III Formula	84.425U	N/A	1,602,160
COVID-19 - Education Stabilization Fund - Homeless ARP	84.425W	N/A	1,339
COVID-19 - Real-Time Early Access to Literacy	84.425	N/A	4,613
Total Educational Stabilization Fund – Section 1			\$ 2,758,976
IDEA Part B – Special Education Grants to States	84.027A	N/A	699,490
Carl Perkins - Secondary	84.048A	N/A	46,728
Title IIA – Supporting Effective Instruction State Grants	84.367A	N/A	158,013
SRCL2 – Striving Readers	84.371C	N/A	144,893
Title IVA – Student Support and Academic Enrichment	84.424A	N/A	73,896
Total United States Department of Education			\$ 5,345,003
Total Expenditures of Federal Awards			\$ 5,345,003

FOUNDATION FOR LOUISIANA STUDENTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

Note 1 General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Foundation for Louisiana Students. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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)*.

Note 3 Risk-based audit approach

The dollar threshold used to distinguish between Type A and Type B programs is \$750,000. The School qualifies as a low-risk auditee.

Note 4 Indirect cost rate

The School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance in its Schedule of Expenditures of Federal Awards.

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

I. SUMMARY OF THE AUDITORS' RESULTS

Financial Statements

1. Type of report issued on the financial statements: **Unmodified Opinion.**
2. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **Yes.**
Material weaknesses: **No.**
3. Noncompliance which is material to the financial statements: **No.**
4. A management letter was issued: **Yes.**

Federal Awards

5. Significant deficiencies in internal control over major programs: **No.**
Material weaknesses: **No.**
6. Type of report issued on compliance for major programs: **Unmodified Opinion.**
7. Any audit findings which are required to be reported in accordance with 2CFR 200.516(a): **No.**
8. Major programs for the fiscal year ended June 30, 2022 were:

<u>Federal Program or Cluster</u>	<u>Federal Assistance Listing Number</u>
Title I Grants to Local Education	84.010
Education Stabilization Fund - ESSERF – Formula	84.425

9. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
10. Auditee qualified as a low-risk auditee under Uniform Guidance: **Yes.**

II. FINACIAL STATEMENT FINDINGS

2022-001: Accrued Payroll and related liabilities

Condition:

Currently there is a lack of control surrounding year-end entries for accrued payroll and related liabilities.

Criteria:

All outstanding payroll liabilities should be posted to the correct period.

Cause:

Due to a change in accounting personnel during the fiscal year, the School was unable to successfully implement the process to ensure that all accrued payroll and related liabilities are properly recorded.

Effect:

Accrued payroll and related liabilities as of June 30, 2022 required adjustments due to failure to record accrual for payroll liabilities.

Recommendation:

Management should implement an approval process to review accruals at year end.

Views of responsible officials:

Organizational restructuring and increased staffing levels have been approved to ensure that all accruals are reviewed and properly recorded in the appropriate accounting period.

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

II. FINACIAL STATEMENT FINDINGS (CONTINUED)

2022-002: Compliance with Annual Filing Deadline

Condition:

The audit report for the year ended June 30, 2022 was not submitted within six (6) months after year end as required by state law.

Criteria:

Louisiana Revised Statute 24:513 requires that all engagements be completed and transmitted to the legislative auditor within nine months of the close of the auditee's fiscal year.

Cause:

The School did not file its report for June 30, 2022 within six months of the end of its fiscal year due to significant changes in personnel within the finance department during the fiscal year end.

Effect:

The School is in compliance with the State Law governing the completion and submission of audit reports due to the non-emergency extension through February 3, 2023.

Recommendation:

We recommend that management be cognizant of this deadline in the future and make every effort to comply.

Views of responsible officials:

The School will continue to make every effort to comply with this law. They endured significant changes in personnel within the finance department during the year ended June 30, 2022 as a result of national and local labor shortages.

2022-003: Inappropriate recording of property and equipment

Condition:

Currently there is a lack of control surrounding the recording of property and equipment in the accounting records.

Criteria:

Expenditures for property and equipment should be evaluated for capitalization and recorded appropriately in the accounting records.

Cause:

Due to a change in accounting personnel during the fiscal year, the School was unable to successfully implement the process to ensure that all property and equipment was recorded to the correct general ledger account in the fiscal period.

Effect:

The School required adjustments to properly capitalize expenditures for property and equipment on the balance sheet for the period ending June 30, 2022.

Recommendation:

Management should implement an approval process to review the recognition of property and equipment in the accounting records.

Views of responsible officials:

Organizational restructuring and increased staffing levels have been approved to ensure that all property and equipment purchases are reviewed and recorded appropriately under general accepted accounting principles

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

2022-004: Payroll Segregation of Duties

Condition:

As part of the audit, we received internal controls related to payroll and human resource (HR) functions. It was noted that payroll and HR duties may not be adequately segregated as the same individuals that are responsible for processing payroll are also responsible for inputting pay adjustments in the payroll system. Also noted, was a lack of management review over payroll processing.

Criteria:

Payroll and HR duties should be properly segregated and all payroll processing procedures should be reviewed by management before payroll is processed each period.

Cause:

The School does not have adequate segregation of duties with the Payroll and HR departments. Due to a change in accounting personnel and management during the fiscal year, the School was unable to successfully implement the process to ensure that all payroll processing was reviewed by management.

Effect:

Without thorough review and strong segregation of duties, there is an increased risk of unauthorized or inaccurate changes in the payroll accounting records.

Recommendation:

We recommend management should implement adequate segregation of duties of processing payroll and HR. Management should also implement an approval process to review payroll registers before payroll is processed each period.

Views of responsible officials:

Management concurs with this audit finding. Organizational restructuring and increased staffing levels have been approved to ensure that proper segregation of duties is in place, and that all payroll processing is reviewed by management.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings related to federal awards for the year ended June 30, 2022.

IV. MANAGEMENT LETTER

<p><u>2022-005: Teacher Salaries</u></p> <p>Management approval of salary changes were not appropriately documented in personnel files. We recommend that procedures be implemented to ensure that all salary changes be documented with management approval in all personnel files.</p>	<p><u>Management Response:</u></p> <p>We will review and update our policies and procedures over the documentation of salary amounts in personnel files.</p>
<p><u>2022-006: Preparation of the SEFA and Grants Reporting</u></p> <p>There was 1 award for which the grant receivable and corresponding expenditures were improperly recorded on the SEFA and financial statements. The total amount was \$36,750 and should have been recorded in fiscal year 2023. We recommend that procedures be implemented to ensure that all expenditures and revenue are recorded in the proper period.</p>	<p><u>Management Response:</u></p> <p>We will review update procedures to ensure all revenue and expenses are recorded in the proper period.</p>

FOUNDATION FOR LOUISIANA STUDENTS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

FINANCIAL STATEMENT FINDINGS

2021-001: Accrued Payroll and Related Liabilities

Condition:

Currently there is a lack of control surrounding year end entries for accrued payroll and related liabilities.

Status:

Not resolved. See 2022-001.

2021-002: Compliance with Annual Filing Deadline

Condition:

The audit report for the year ended June 30, 2021 was not submitted within nine (9) months after year end as required by state law (this includes the emergency extension due to Hurricane Ida, as determined by the Governor’s Decree). The School has also received a non-emergency extension under the provisions of LRS 29:724 (B) (1) through April 30, 2022.

Status:

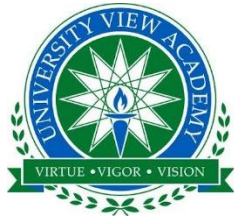
Not resolved. See 2022-002.

MANAGEMENT LETTER

<p><u>2021-003: Teacher Experience</u></p> <p>Teacher experience was incorrectly reported on the PEP report submitted to the State. We recommend that procedures be implemented to ensure that all employee information is accurately reported on subsequent PEP submissions.</p>	<p><u>Status:</u></p> <p>Resolved.</p>
<p><u>2021-004: Prepare and Approve Purchase Orders before Items Are Received</u></p> <p>Audit tests indicated that purchase orders are occasionally prepared after items are received or ordered. This practice may defeat the control a purchase order system is intended to provide. We recommend that purchase orders be prepared and approved before items are received or ordered.</p>	<p><u>Status:</u></p> <p>Resolved.</p>

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings related to federal awards for the year ended June 30, 2021.



UNIVERSITY VIEW ACADEMY

FOUNDATION FOR LOUISIANA STUDENTS
CORRECTIVE ACTION PLAN FOR FISCAL YEAR 2022 AUDIT
For the Year Ended June 30, 2022

Name of Responsible Person: Dr. Quentina Timoll
Superintendent
qtimoll@uview.academy

Financial Statement Finding 2022-001: Accrued Payroll and related liabilities

All outstanding payroll liabilities should be posted to the correct period.

Corrective Action Plan

Organizational restructuring and increased staffing levels have been approved to ensure that all accruals are reviewed and properly recorded in the appropriate accounting period

Completion Date: 01/23/2023

Compliance Finding 2022-002: Compliance with Annual Filing Deadline

Louisiana Revised Statute 24:513 requires that all engagements be completed and transmitted to the legislative auditor within six months of the close of the auditee's fiscal year.

Corrective Action Plan

UVA will complete and transmit its audited financial statements to the legislative auditor within six months of the close of its fiscal year.

Expected Completion Date: 12/31/2023

Financial Statement Finding 2022-003: Inappropriate recording of property and equipment

Expenditures for property and equipment should be evaluated for capitalization and recorded appropriately in the accounting records.

Corrective Action Plan

Organizational restructuring and increased staffing levels have been approved to ensure that all property and equipment purchases are reviewed and recorded appropriately under general accepted accounting principles

Completion Date: 01/23/2023

Financial Statement Finding 2022-004: Payroll Segregation of Duties

Payroll and HR duties should be properly segregated and all payroll processing procedures should be reviewed by management before payroll is processed each period.

Corrective Action Plan

Organizational restructuring and increased staffing levels have been approved to ensure that proper segregation of duties is in place, and that all payroll processing is reviewed by management.

Completion Date: 01/23/2023

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Foundation for Louisiana Students
Baton Rouge, Louisiana

To the Foundation for Louisiana Students, the Louisiana Department of Education, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Foundation for Louisiana Students for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the Foundation for Louisiana Students is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

1. We selected a random 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
 - Nonpublic Transportation Revenue

Results: No exceptions noted.

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.

Results: No exceptions noted.

Education Levels/Experience 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.

Results: No exceptions noted.

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30th 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).

Results: Exceptions noted; 12 of 25 selected individuals' salary amounts did not have proper documentation of management approval for the amounts reported on the June 30th PEP Report.

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

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

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

January 24, 2023
Metairie, Louisiana

Wegmann Bazet

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

As of and For the Year Ended June 30, 2022

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

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

Schedule 2 – Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA

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

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 10,387,627	
Other Instructional Staff Activities	367,784	
Instructional Staff Employee Benefits	4,172,538	
Purchased Professional and Technical Services	115,953	
Instructional Materials and Supplies	1,221,994	
Instructional Equipment	<u> -</u>	
Total Teacher and Student Interaction Activities		16,265,896
Other Instructional Activities		2,126,771
Pupil Support Activities	4,055,833	
Less: Equipment for Pupil Support Activities	<u> -</u>	
Net Pupil Support Activities		4,055,833
Instructional Staff Services	1,163,136	
Less: Equipment for Instructional Staff Services	<u> -</u>	
Net Instructional Staff Services		1,163,136
School Administration	983,727	
Less: Equipment for School Administration	<u> -</u>	
Net School Administration		<u>983,727</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u><u>\$ 24,595,363</u></u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u><u>\$ -</u></u>

FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA

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

<u>Certain Local Revenue Sources</u>	<u>Column A</u>	<u>Column B</u>
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$	-
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Sales and Use Taxes		-
Total Local Taxation Revenue	\$	-
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property	\$	-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property	\$	-
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes	\$	-
Nonpublic Textbook Revenue	\$	-
Nonpublic Transportation Revenue	\$	-

FOUNDATION FOR LOUISIANA STUDENTS
BATON ROUGE, LOUISIANA

Class Size Characteristics
As of October 1, 2021

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	73%	940	19%	246	4%	56	3%	44
Combination Activity Classes	31%	29	8%	7	14%	13	47%	44

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of University View Academy
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year period July 1, 2021 through June 30, 2022. University View Academy (Entity) management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers

of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results - We performed the procedures noted above and noted no exceptions.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Procedure Results - We performed the procedures noted above and noted no exceptions. The Entity is not a governmental entity, nor does it report on the governmental accounting model, accordingly, item b) and c) above is not applicable.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results - We performed the procedures detailed above and noted the following exceptions: With respect to item a) We indicated there were no dates and initials on the tested reconciliations that would provide evidence that they were prepared within 2 months of the related statement closing date. With respect to item b) there were no initials and dates that would provide evidence that a member of management/ board member who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliations tested. With respect to item c) the results of procedures performed noted there was not any documentation on the outstanding check list reflecting that the reconciling items that have been outstanding for more than 12 months from the statement closing date have been researched by management.

Management response: - Management will establish a system of internal controls that ensures that no one individual is able to authorize, approve, receive goods or services, reconciles the accounts, deposits the funds, has records the transactions. Management will start documenting initials and dates when everything is reviewed and approved.

Collections (excluding electronic funds transfers)

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

Procedure Results - We performed the procedure noted above and noted no exceptions.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.

Procedure results – We performed the procedure noted above and noted no exception.

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

Procedure Results - We performed the procedure noted above and noted no exception.

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

Procedure Results - We performed the procedure noted above and noted no exception.

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

Procedure Results - We performed the procedure noted above and noted no exception.

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

Procedure Results - We performed the procedure noted above and noted no exception.

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

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

Procedure results – we performed the procedure noted above and noted no exception.

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

Procedure results – we performed the procedure noted above and noted no exception.

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

Procedure results – we performed the procedure noted above and noted no exception.

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

Procedure results – we performed the procedure noted above and noted no exception.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Procedure Results - We performed the procedure noted above and noted no exceptions.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Procedure Results - We performed the procedures noted above and noted no exceptions.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

Procedure Results - We performed the procedure noted above and noted no exceptions.

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

Procedure Results - We performed the procedure noted above and noted no exceptions.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Procedure Results - We performed the procedure above and noted no exception.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Procedure Results - We performed the procedure noted above and noted that there was no written proof that the statements were reviewed and approved by someone other than the authorized card holder.

Management response – Management will ensure to create and maintain a proper paper trail evidencing that the controls took place.

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

Procedure Results - We performed the procedures noted above and noted no exceptions.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (a) an original itemized receipt that identifies precisely what was purchased, (b) written documentation of the business/public purpose, and (c) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Procedure Results - We performed the procedures above and noted no exceptions.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results - We performed the procedures above and noted no exceptions.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results - The Entity is a non-profit, accordingly item a) is not applicable. The Entity had no amendments to contracts during the testing period, accordingly, item c) is not applicable. With regards to items b) and c), we performed the procedures and noted no exception.

Payroll and Personnel

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Procedure Results - We performed the procedures noted above and noted no exceptions.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Procedure Results – In regard to item a) the entity does not track employees or official's daily attendance. Regarding item b) supervisors don't approve attendance. Regarding item c) and d) we performed the procedures noted above and noted no exceptions.

Management response - Management will establish a system of internal controls regarding payroll approval, tracking attendance and documenting changes in pay.

- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Procedure Results – We performed the procedure noted above and noted no exceptions.

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

Procedure Results - We performed the procedures noted above and noted no exceptions.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
 - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

Procedure Results – With respect to item a) One out of the five employees tested did not complete one hour of ethics training during the fiscal period. With respect to item b) the entity did not have any changes to their ethics policy during the fiscal period.

Debt Service

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

Procedure Results - There were no debt instruments issued during the fiscal period. Accordingly, this section is not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Results - The Entity does not carry debt. Accordingly, this section is not applicable.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Procedure Results - The Entity did not have misappropriations of public funds or assets during the fiscal period. Accordingly, this section is not applicable. Per conversation with outsourced management and work performed during the audit, the entity had zero misappropriations of public funds and assets during the fiscal period.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Results - The Entity did not experience any of the instances listed above. Accordingly, this section is not applicable.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:

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

Procedure Results - We performed the procedures and discussed the results with management, no exceptions were noted.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Procedure Results – This section is not applicable to the Entity.

27. Observe the Entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Entity's premises if the entity does not have a website).

Procedure Results - This section is not applicable to the Entity.

28. Obtain the Entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;

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

Procedure Results – This section is not applicable to this Entity.

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Metairie, Louisiana
January 24, 2023

Wegmann Bazet