

***VIRTUAL ACADEMY OF LAFOURCHE, INC.***

***AUDITED FINANCIAL STATEMENTS  
And AGREED UPON PROCEDURES  
REPORTS AND SCHEDULES***

***As of and for the Year Ending  
June 30, 2024***

***Virtual Academy of Lafourche, Inc.***

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# STAGNI & COMPANY, LLC

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## ***INDEPENDENT AUDITOR'S REPORT***

To the Board of Directors  
Virtual Academy of Lafourche, Inc.  
639 Harrison Street  
Thibodaux, La 70301

### ***Opinions***

We have audited the accompanying financial statements of Virtual Academy of Lafourche, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the financial statement as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virtual Academy of Lafourche, Inc., as of and for the year ended June 30, 2024, and in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nicholls State University Alumni Federation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of these 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 the ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 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 the 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.

***Supplemental Schedule***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head, as required by Louisiana Revised Statute 24:513 A(3), is presented for additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.



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The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Performance and Statistical Data, included as Schedules 1 and 2, which are described in the table of contents but does not include the financial statements, accompanying notes, and our auditor's report thereon. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Virtual Academy of Lafourche, Inc.'s internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
December 20, 2024



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# Virtual Academy of Lafourche, Inc.

## Statement of Financial Position

June 30, 2024

### ASSETS

#### CURRENT ASSETS:

|                      |                  |
|----------------------|------------------|
| Unrestricted Cash    | \$ 2,757,153     |
| Security Deposit     | 2,800            |
| Prepaid Expenses     | 30,792           |
| Total current assets | <u>2,790,745</u> |

#### PROPERTY AND EQUIPMENT

|   |                  |
|---|------------------|
| Right-to-Use lease assets, net                  | 301,992          |
| Capital assets, net of accumulated depreciation | 789,078          |
| Total Property and Equipment                    | <u>1,091,070</u> |

|              |                            |
|--------------|----------------------------|
| TOTAL ASSETS | <u><u>\$ 3,881,815</u></u> |
|--------------|----------------------------|

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES:

|                              |               |
|------------------------------|---------------|
| Accounts Payable             | \$ 19,263     |
| Accrued Payroll and Benefits | 35,498        |
| Total Current Liabilities    | <u>54,761</u> |

#### LONG-TERM LIABILITIES

|   |                |
|---|----------------|
| Current liabilities - note payable          | 26,400         |
| Current portion of lease liabilities        | 278,597        |
| Non-current liabilities - lease liabilities | 187,157        |
| Total Long-term Liabilities                 | <u>492,154</u> |

|                   |         |
|-------------------|---------|
| TOTAL LIABILITIES | 546,915 |
|-------------------|---------|

#### NET ASSETS

|                            |                  |
|----------------------------|------------------|
| With donor restrictions    | -                |
| Without donor restrictions | 3,334,900        |
| Total Net Position         | <u>3,334,900</u> |

|                                  |                            |
|----------------------------------|----------------------------|
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 3,881,815</u></u> |
|----------------------------------|----------------------------|

See notes to financial statements.

# Virtual Academy of Lafourche, Inc.

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

|                                       | Without Donor<br>Restrictions |
|---------------------------------------|-------------------------------|
| <b>SUPPORT AND REVENUES</b>           |                               |
| State and Local Public School Funding | \$ 5,852,522                  |
| Other Revenue                         | 130,382                       |
| Total Revenue and Support             | <u>5,982,904</u>              |
| <b>EXPENSES</b>                       |                               |
| Program Services:                     |                               |
| Teacher Services                      | 3,191,739                     |
| Curriculum and Enrichment             | 95,642                        |
| Depreciation and Amortization         | 407,746                       |
| <b>Total Program Services</b>         | <u>3,695,127</u>              |
| Supporting Services:                  |                               |
| Salaries & Benefits                   | 452,692                       |
| Accounting & Auditing                 | 23,250                        |
| Administration Services               | 45,343                        |
| Advertising                           | 1,444                         |
| Insurance                             | 44,001                        |
| Information Technologies              | 71,302                        |
| Office Expense                        | 63,751                        |
| Rent & Lease Expense                  | 177,202                       |
| Supplies                              | 12,605                        |
| Telephone                             | 60,904                        |
| Dues & Licenses                       | 1,083                         |
| Repairs and maintenance               | 48,185                        |
| Security and babysitting services     | 44,599                        |
| <b>Total Supporting Services</b>      | <u>1,046,361</u>              |
| Total Expenses                        | <u>4,741,488</u>              |
| <b>CHANGE IN NET ASSETS</b>           | 1,241,416                     |
| <b>NET ASSETS</b>                     |                               |
| Beginning of year, as restated        | 2,093,484                     |
| End of year                           | <u>\$ 3,334,900</u>           |

See notes to financial statements.

# **VIRTUAL ACADEMY OF LAFOURCHE, INC.**

## **Statement of Cash Flows For the Year Ended June 30, 2024**

### **Cash flows from operating activities:**

|   |                            |
|---|----------------------------|
| Change in net assets  | \$ 1,241,416               |
| Adjustments to reconcile increase in net assets to<br>net cash provided by operating activities |                            |
| Depreciation  | 407,746                    |
| (Increase) decrease in operating assets:  |                            |
| Prepaid expenses  | (1,185)                    |
| Increase (decrease) in operating liabilities  |                            |
| Accounts payable  | (117,729)                  |
| Accrued payroll & payroll taxes payable   | <u>2,377</u>               |
| Total Adjustments   | <u>291,209</u>             |
| <b>Net cash flow provided (used) by operating activities</b>                                    | <b><u>\$ 1,532,625</u></b> |

### **Cash flows from investing activities:**

|   |                         |
|---|-------------------------|
| Purchases of property and equipment                     | -                       |
| Adjust beginning balance of ROU assets                  | <u>(277,073)</u>        |
| <b>Net cash provided (used) by investing activities</b> | <b><u>(277,073)</u></b> |

### **Cash flows from financing activities:**

|   |                         |
|---|-------------------------|
| Payments on Notes Payable                               | <u>(120,000)</u>        |
| <b>Net cash provided (used) by financing activities</b> | <b><u>(120,000)</u></b> |

|  |                         |
|--|-------------------------|
| <b>Net decrease in cash and cash equivalents</b> | <b><u>1,135,552</u></b> |
|--|-------------------------|

|   |                         |
|---|-------------------------|
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b> | <b><u>1,621,601</u></b> |
|---|-------------------------|

|   |                            |
|---|----------------------------|
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b> | <b><u>\$ 2,757,153</u></b> |
|---|----------------------------|

See notes to financial statements.



## **Virtual Academy of Lafourche, Inc.**

Notes to the Financial Statements  
For the Year Ended June 30, 2024

### **Note 1**

### ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

#### **Nature of Operations**

Virtual Academy of Lafourche, Inc. (the School) was created as a non-profit corporation under the laws of the State of Louisiana on February 3, 2012. The School was founded to provide quality blended learning opportunities for K-12 students of Lafourche Parish. The students complete their lessons off site using the Internet, with supervision of a parent and/or guardian and receive guidance by phone or online from a certified Educational Consultant.

The Board of Directors is the intermediate authority, and it consists of eight members with the majority of the members domiciled in Lafourche Parish. The charter school has a director who oversees and manages the daily operations of the School.

These financial statements and notes are representation of the School's management, who is responsible for the integrity, and objectivity of the financial statements. These accounting policies conform to Generally Accepted Accounting Principles and have been consistently applied in the preparation of the financial statements. The School is considered a component unit of Lafourche Parish School Board.

#### **Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and are prepared on the accrual basis.

#### **Classification of Net Assets**

The School presents the financial statements following the recommendations of the Financial Accounting Standards Board (FASB). Under FASB, the School is required to report information regarding its financial position and activities according to two classes of net assets:

- 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 School. These net assets may be used at the discretion of management and the board of directors.
- Net Assets with Donor Restriction – 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, whereby the donor has stipulated the funds be maintained in perpetuity.

## **Virtual Academy of Lafourche, Inc.**

Notes to the Financial Statements  
For the Year Ended June 30, 2024

### **Note 1      *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)***

#### **Cash and Cash Equivalents**

Cash, which is held in interest bearing accounts, consists of unrestricted balances. Unrestricted cash balances represent cash available for general operating purposes.

For the purposes of the statement of cash flows, the School considers all unrestricted funds and highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

#### **Support and Revenue**

The school's primary source of revenue is an allocation based on the Minimum Foundation Program dollars per child through Lafourche Parish School Board. The October 1<sup>st</sup> student count is audited by the Louisiana Department of Education. Adjustments are made the following year. This amount is offset by certain services provided by the School Board. All funds received from the Louisiana Department of Education, or other state or federal agencies are funds earned by the School to be used for the purpose for which they were acquired. These agencies, however, have a reversionary interest in these funds, as well as any assets acquired with these funds. Should the charter agreement not be renewed, those funds and assets will transfer to the appropriate agency.

#### **Property and Equipment and Depreciation**

Property and equipment is recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives. Property and equipment is depreciated over a 3-15-year period. Property and equipment reported on the statement of financial position are net of accumulated depreciation. Normal building maintenance and minor equipment purchases are included as expenses of the School.

#### **Income Taxes**

The Charter School is a nonprofit organization under the State of Louisiana and is exempt from taxation under section 501 (c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. No provision for income taxes have been made.

#### **Budgetary Data**

The School formally adopts a budget that is submitted to Lafourche Parish School Board for approval.

## **Virtual Academy of Lafourche, Inc.**

Notes to the Financial Statements

For the Year Ended June 30, 2024

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **Use of Estimates**

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

#### **Liquidity and Availability**

The School's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. It regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources that 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 balance sheet date comprise the following:

|      |             |
|------|-------------|
| Cash | \$2,757,153 |
|------|-------------|

#### **New Accounting Pronouncement**

In January 2016, the FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. As of July 1, 2024, the School recognized \$997,944 in leased assets for its receipt of control of nonfinancial assets from lessors and a corresponding \$465,754 in lease liabilities on its financial statements.

## **Virtual Academy of Lafourche, Inc.**

Notes to the Financial Statements  
For the Year Ended June 30, 2024

### **Note 2      CASH**

At June 30, 2024, the reported amount in cash was \$2,757,153 and the bank balance was \$2,887,019.

Custodial credit risk is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. \$2,637,019 of the bank balance of deposits is exposed to custodial credit risk. \$250,000 of the deposits were covered by federal depository insurance and under secured by the market value of pledged securities by \$105,513.

### **Note 3      FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

Property and equipment consisted of the following:

|  | <b>Balance<br/>June 30,<br/>2023</b> | <b>Net<br/>Additions<br/>(Dispositions)</b> | <b>Balance<br/>June 30,<br/>2024</b> |
|--|--------------------------------------|---|--------------------------------------|
| Improvements,<br>Furniture & Equipment | \$1,313,948                          | \$ -  | \$1,313,948                          |
| Less: Accumulated<br>Depreciation      | 439,315                              | 85,555                                      | 524,870                              |
| <b>Total</b>                           | <b>\$874,633</b>                     |   | <b>\$789,078</b>                     |

There were no leasehold improvements capitalized nor disposed assets during the year. Depreciation expense for the year was \$85,555.

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

## Virtual Academy of Lafourche, Inc.

Notes to the Financial Statements  
For the Year Ended June 30, 2024

### **Note 4      FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services in the accompanying statement of functional expenses.

### **Note 5      LEASE COMMITMENTS AND RIGHT OF USE ASSETS**

The School leases space for its operations. Its lease commitments as of June 30, 2024 are summarized as follows:

| <i>Description</i>                           | <i>Start Date</i> | <i>Current Base Rent</i> | <i>Interest Rate</i> | <i>Remaining Lease Term</i> | <i>Remaining Lease Liability</i> |
|--|-------------------|--------------------------|----------------------|-----------------------------|----------------------------------|
| Lafourche Parish School Board - Raceland     | 3/1/22            | \$51,420                 | 5%                   | 8 Months                    | \$43,377                         |
| Lafourche Parish School Board – South Campus | 7/1/22            | 73,131                   | 5%                   | 12 Months                   | 89,205                           |
| St. Mary Partners LLC – 509B St. Mary St.    | 9/1/21            | 74,580                   | 5%                   | 26 Months                   | 203,282                          |
| St. Mary Partners LLC – 509E St. Mary St.    | 8/1/22            | 33,000                   | 5%                   | 25 Months                   | 79,129                           |
| St. Mary Partners LLC – 511 St. Mary St.     | 9/1/20            | 46,800                   | 5%                   | 2 Months                    | 29,548                           |
| St. Mary Partners LLC – 506 St. Mary St.     | 9/1/20            | 33,600                   | 5%                   | 2 Months                    | 21,214                           |
| <b>TOTAL</b>                                 |                   | <b>\$312,531</b>         |                      |                             | <b>\$465,754</b>                 |

#### ***Options to Extend***

The School's lease with St. Mary Partners, LLC for 509B St. Mary Street has options to renew for two additional terms of five years each with rental amounts of \$6,835 and \$7,520 per month, respectively.

The lease with St. Mary Partners, LLC for 509E St. Mary Street has options to renew for one additional term of four years with a 10% rental increase per optional period.

## Virtual Academy of Lafourche, Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2024

### **Note 5      LEASE COMMITMENTS AND RIGHT OF USE ASSETS (contd.)**

The lease with St. Mary Partners, LLC for 511 St. Mary Street has options to renew for two additional terms of four years each. The rental amount will be \$4,290 per month for the first additional term and \$4,720 for the second additional term.

The lease with St. Mary Partners, LLC for 506 St. Mary Street has options to renew for two additional four-year terms with rentals increasing to \$3,080 per month for the first additional term and \$3,390 for the second additional term.

### **Principal and Interest on Long-Term Obligations**

Annual requirements to amortize long-term obligations and related interest for the next five years and in five-year increments thereafter are as follows:

| <i><b>YEARS</b></i> | <i><b>PRINCIPAL</b></i> | <i><b>INTEREST</b></i> |
|---------------------|-------------------------|------------------------|
| 2025                | \$278,597               | \$18,178               |
| 2026                | 100,127                 | 7,453                  |
| 2027                | 87,030                  | 2,419                  |
| <b><i>TOTAL</i></b> | <b><i>\$465,754</i></b> | <b><i>\$28,050</i></b> |

Total lease principal and expense charged for the fiscal year was \$419,253.

### **Right of Use Lease Assets**

A schedule of changes in right of use assets is as follows:

|                                   | <b>Balance<br/>July 1,<br/>2023</b> | <b>Additions/Adjust<br/>ment to Beg<br/>Balance</b> | <b>Reductions</b> | <b>Balance<br/>June 30,<br/>2024</b> |
|-----------------------------------|-------------------------------------|---|-------------------|--------------------------------------|
| Right of Use Assets               | \$742,829                           | \$255,117   |                   | \$997,946                            |
| Less: Accumulated<br>Depreciation | (373,762)                           | (322,192)   |                   | (695,954)                            |
| <b>Total</b>                      | <b>\$369,067</b>                    |   |                   | <b>\$301,992</b>                     |

Depreciation on right of use assets was \$322,192 for the year ended June 30, 2024.

A prior period adjustment was needed to increase the beginning balance of Leased Assets by \$255,117.

## **Virtual Academy of Lafourche, Inc.**

Notes to the Financial Statements  
For the Year Ended June 30, 2024

### **Note 6      *NOTE PAYABLE***

The School entered into a note payable in September 2022 for \$240,000 for improvements made to St. Mary High School location. The note calls for payments of \$10,000 month until paid off. The balance at June 30, 2024 was \$26,400 and will end on August 31, 2024.

### **Note 7      *PER DIEM TO BOARD OF DIRECTORS***

During the year ended June 30, 2024, no board members received per diem in his or her capacity as director.

### **Note 8      *CONCENTRATION OF REVENUE SOURCE***

The School received 97% of its revenues from the State Public School – MFP Funding, subject to its charter school contract with the Board of Trustees. If the amount of support received should fall below award budgeted levels, Virtual Academy of Lafourche, Inc. operating results could be adversely affected.

### **Note 9      *CONTINGENCIES AND COMMITMENTS***

The School is a recipient of funding from Lafourche Parish School Board through the State of Louisiana's Minimum Foundation Program. This funding is governed by various guidelines, regulations, and contractual agreements. The administration of the program and activities funded is under the control and administration of Virtual Academy of Lafourche, Inc. and is subject to audit and/or review by the applicable funding source. Any funds found to be not properly spent in accordance with these terms; conditions and regulations of the funding sources may be subject to recapture.

### **Note 10      *SUBSEQUENT EVENTS REVIEW***

Management has evaluated subsequent events through the date that the financial statements (December 20, 2024) were issued and determined that no events occurred that require disclosure.

## Virtual Academy of Lafourche, Inc.

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2024

**Agency Head Name: Edmond J Adams, Jr, Director**

| Purpose                                | Amount   |
|--|----------|
| Salary                                 | \$89,587 |
| Benefits - FICA & Medicare             | \$6,859  |
| Car Allowance                          | \$0      |
| Vehicle provided by government         | \$0      |
| Per Diem                               | \$0      |
| Reimbursements                         | \$0      |
| Travel                                 | \$0      |
| Registration fees                      | \$0      |
| Conference travel                      | \$0      |
| Continuing professional education fees | \$0      |
| Housing                                | \$0      |
| Unvouchered expenses                   | \$0      |
| Special meals                          | \$0      |
| Fuel                                   | \$0      |
| Dues                                   | \$0      |
| Cell Phone                             | \$0      |
| Other                                  | \$0      |
| Total                                  | \$96,446 |

This form is used to satisfy the supplemental reporting requirement of R.S. 24:513(A)(3)





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

To Board of Directors  
**Virtual Academy of Lafourche, Inc.**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Virtual Academy of Lafourche, Inc. (non-profit organization) which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements as listed in the table of contents, and have issued our report thereon dated December 20, 2024.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

This report is intended solely for the information and use of management, the Board of Directors, the State of Louisiana, the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

Thibodaux, Louisiana  
December 20, 2024



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STAGNI & COMPANY, LLC

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**VIRTUAL ACADEMY OF LAFOURCHE, INC.**  
**SCHEDULES REQUIRED BY STATE LAW**  
**(R.S. 24:514-PERFORMANCE AND STATISTICAL DATA)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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

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

**Schedule 2- Class Size Characteristics**

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



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

To the Board of Directors  
Virtual Academy of Lafourche, Inc.  
Thibodaux, La

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Virtual Academy of Lafourche, Inc. and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Virtual Academy of Lafourche, Inc. and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

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

**Finding:** Of the 25 transactions pulled all were properly classified.

**Finding: No findings.**

**Class Size Characteristics (Schedule 2):**

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

**Finding: No findings.**

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements. This report is intended solely for the use of management, Board of Directors, the Louisiana Legislative Auditors, the Louisiana Department of Education, and the Lafourche Parish School Board, 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 Legislative Auditor as a public document.

*Stagni & Company*

Thibodaux, Louisiana  
December 20, 2024



**VIRTUAL ACADEMY OF LAFOURCHE INC.**  
**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND**  
**AND CERTAIN LOCAL REVENUE SOURCES**  
**For the Year Ended June 30, 2024**

**General Fund Instructional and Equipment Expenditures**

## General Fund Instructional Expenditures:

## Teacher and Student Interaction Activities:

|  |              |              |
|--|--------------|--------------|
| Classroom Teacher Salaries                       | \$ -         |              |
| Other Instructional Staff Activities             | \$ -         |              |
| Instructional Staff Employee Benefits            | \$ -         |              |
| Purchased Professional and Technical Services    | \$ 73,510.68 |              |
| Instructional Materials and Supplies             | \$ -         |              |
| Instructional Equipment                          | \$ -         |              |
| Total Teacher and Student Interaction Activities |              | \$ 73,510.68 |

|                                |  |             |
|--------------------------------|--|-------------|
| Other Instructional Activities |  | \$ 1,083.00 |
|--------------------------------|--|-------------|

|  |              |              |
|--|--------------|--------------|
| Pupil Support Activities                     | \$ 18,532.50 |              |
| Less: Equipment for Pupil Support Activities | \$ -         |              |
| Net Pupil Support Activities                 |              | \$ 18,532.50 |

|  |                 |                 |
|--|-----------------|-----------------|
| Instructional Staff Services                     | \$ 3,371,654.08 |                 |
| Less: Equipment for Instructional Staff Services | \$ -            |                 |
| Net Instructional Staff Services                 |                 | \$ 3,371,654.08 |

|   |               |               |
|---|---------------|---------------|
| School Administration                     | \$ 452,691.95 |               |
| Less: Equipment for School Administration | \$ -          |               |
| Net School Administration                 |               | \$ 452,691.95 |

|   |  |                        |
|---|--|------------------------|
| Total General Fund Instructional Expenditures (Total of Column B) |  | <u>\$ 3,917,472.21</u> |
|---|--|------------------------|

|   |  |             |
|---|--|-------------|
| Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000) |  | <u>\$ -</u> |
|---|--|-------------|

**Certain Local Revenue Sources**

## 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  | <u>\$ -</u> |

## 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 | <u>\$ -</u> |

## 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 | <u>\$ -</u> |

|                            |  |             |
|----------------------------|--|-------------|
| Nonpublic Textbook Revenue |  | <u>\$ -</u> |
|----------------------------|--|-------------|

|                                  |  |             |
|----------------------------------|--|-------------|
| Nonpublic Transportation Revenue |  | <u>\$ -</u> |
|----------------------------------|--|-------------|

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

**VIRTUAL ACADEMY OF LAFOURCHE, INC.**  
**Class Size Characteristics**  
**As of October 1, 2023**

| 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                      | 48%              | 59     | 16%     | 19     | 6%      | 7      | 30%     | 37     |
| Combination Activity Classes     |                  |        |         |        |         |        |         |        |

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

***VIRTUAL ACADEMY OF LAFOURCHE, INC.***  
**Statewide Agreed Upon Procedures**  
**Report With Schedule of Findings**  
**and Management's Responses**  
*As of and for the Year Ending*  
*June 30, 2024*





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## STATEWIDE AGREED-UPON PROCEDURES REPORT

Virtual Academy of Lafourche, Inc.  
Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2023 – June 30, 2024**

To Virtual Academy of Lafourche, Inc.  
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 period July 1, 2023 through June 30, 2024. The Virtual Academy of Lafourche's (the School) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

### ***1) Written Policies and Procedures***

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- A. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **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.
  - iii. **Disbursements**, including processing, reviewing, and approving.
  - iv. **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).

- v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **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).
- viii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees, including elected officials, were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** *There are no findings for these procedures tested.*



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## **2) Board or Finance Committee**

- A. 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:
  - i. 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.
  - ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii. 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.
  - iv. Observe that the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**Results:** *There are no findings for these procedures tested.*

## **3) Bank Reconciliations**

---

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

**Results:** *There are no findings for these procedures tested.*



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**4) Collections (excluding electronic funds transfers)**

- A. 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).
- B. 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:
  - i. Employees that are responsible for cash collections do not share cash drawers/registers.
  - ii. 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.
  - iii. Each employee responsible for collecting cash is not also 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.
  - iv. 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 also responsible for collecting cash, unless another employee verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations". Obtain supporting documentation for each of the 10 deposits and:
  - i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - v. Trace the actual deposit per the bank statement to the general ledger.

**Results:** *There are no findings for these procedures tested.*



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

---

- A. 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).
- B. 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:
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - ii. At least two employees are involved in processing and approving payments to vendors.
  - iii. 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.
  - iv. 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.
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. 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, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- D. Using the entity's main operating account and the month selected in "Bank Reconciliations" procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy

**Results:** *There are no findings for these procedures tested.*



## **6) Credit Cards/Debit Cards/Fuel Cards/P-Cards**

---

- A. 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.
- B. 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:
  - i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing, by someone other than the authorized card holder.
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results:** *There are no findings for these procedures tested.*

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

---

- A. 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:
  - i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).



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

**Results:** *These procedures are not applicable.*

## **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - iii. If the contract was amended (e.g. change order), observe that 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, the documented approval).
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** *These procedures are not applicable.*

## **9) Payroll and Personnel**

---

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
  - i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.



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

**Results:** *There are no findings for these procedures tested.*

#### **10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
  - i. Observe that the documentation demonstrates that each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.
  - ii. Observe that the entity maintains documentation which demonstrates that each employee/official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Results:** *There are no findings for these procedures tested.*

#### **11) Debt Service**

---

A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. 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).

**Results:** *These procedures are not applicable.*



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## 12) **Fraud Notice**

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A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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

**Results:** *There are no findings for these procedures tested.*

## 13) **Information Technology Disaster Recovery/Business Continuity**

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A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

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

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 under "Payroll and Personnel" above. Observe evidence that the selected terminated employees have been removed or disabled from the network.

C. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

**Results:** *We performed the procedure and discussed the results with management.*



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#### 14) **Prevention of Sexual Harassment**

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A. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that 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).

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

**Results:** *There are no findings for these procedures tested.*

We were engaged by the District 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 District 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.

*Stagni & Company*

Thibodaux, LA  
December 20, 2024



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STAGNI & COMPANY, LLC

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