




Pelican Educational Foundation, Inc. and Affiliate

COMBINED FINANCIAL STATEMENTS

June 30, 2024 and 2023





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REPORT





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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pelican Educational Foundation, Inc. and Affiliate
Baton Rouge, Louisiana

Opinion

We have audited the accompanying combined financial statements of Pelican Educational Foundation, Inc. and Affiliate (the Foundation) (a nonprofit organization) (d/b/a Kenilworth Science & Technology Charter School), which comprise the combined statements of financial position as of June 30, 2024 and **2023**, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Foundation as of June 30, 2024 and **2023**, and the changes in their net assets and their 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 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 Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Foundation 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the combined 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 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 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 combined 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 combined 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 combined 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 the Foundation'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head, combining statement of financial position and combining statement of activities are presented for purposes of additional analysis and are not a required part of the combined financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

The combining statement of financial position and combining statement of activities, for the year ended June 30, 2024, do not include right-of-use lease assets and lease liabilities for material related-party leases that fully eliminate upon combination. Management has informed us that they have not determined the effects of not including related-party leases in the combining information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2024, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana

December 21, 2024



FINANCIAL STATEMENTS



Pelican Educational Foundation, Inc. and Affiliate
Combined Statements of Financial Position

<i>June 30,</i>	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 4,444,020	\$ 3,265,824
Cash restricted for student activities	37,288	45,878
Grants receivable	239,726	681,983
Prepaid expenses and other assets, current	183,709	182,866
Total current assets	4,904,743	4,176,551
Non-current assets		
Operating lease right-of-use assets, net	259,918	-
Prepaid expenses and other assets, non-current	-	41,329
Property and equipment, net	23,880,125	72,625
Total non-current assets	24,140,043	113,954
Total assets	\$ 29,044,786	\$ 4,290,505
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 110,793	\$ 153,474
Accrued expenses	745,606	488,389
Current portion of operating lease liabilities	61,639	-
Short term portion of bond payable, net	309,000	-
Total current liabilities	1,227,038	641,863
Long-term liabilities		
Operating lease liabilities, less current portion	198,279	-
Bond payable, net	22,744,745	-
Total long-term liabilities	22,943,024	-
Total liabilities	24,170,062	641,863
Net assets		
Without donor restrictions	4,730,978	3,496,306
With donor restrictions	143,746	152,336
Total net assets	4,874,724	3,648,642
Total liabilities and net assets	\$ 29,044,786	\$ 4,290,505

The accompanying notes are an integral part of this combined financial statement.

Pelican Educational Foundation, Inc. and Affiliate
Combined Statements of Activities

<i>For the year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2024 Total
Revenue and support			
MFP state	\$ 3,719,256	\$ -	\$ 3,719,256
MFP local	6,581,833	-	6,581,833
Federal grants	1,814,939	-	1,814,939
State grants	94,672	-	94,672
Contributions and donations	-	1,041	1,041
Miscellaneous	2,398,456	460	2,398,916
Net assets released from restrictions	10,091	(10,091)	-
Total revenue and support	14,619,247	(8,590)	14,610,657
Expenses			
Program services:			
Instructional	8,923,940	-	8,923,940
Support services:			
Management and general support	4,460,635	-	4,460,635
Total expenses	13,384,575	-	13,384,575
Change in net assets	1,234,672	(8,590)	1,226,082
Net assets at beginning of year	3,496,306	152,336	3,648,642
Net assets at end of year	\$ 4,730,978	\$ 143,746	\$ 4,874,724

The accompanying notes are an integral part of this combined financial statement.

Pelican Educational Foundation, Inc. and Affiliate
Combined Statements of Activities

<i>For the year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2023 Total
Revenue and support			
MFP state	\$ 1,956,963	\$ -	\$ 1,956,963
MFP local	3,025,236	-	3,025,236
Federal grants	2,938,867	17,032	2,955,899
State grants	102,802	-	102,802
Contributions and donations	33,410	4,690	38,100
Contributions of nonfinancial assets	12,235	-	12,235
Miscellaneous	2,747	37,747	40,494
Net assets released from restrictions	45,155	(45,155)	-
Total revenue and support	8,117,415	14,314	8,131,729
Expenses			
Program services:			
Instructional	5,466,490	-	5,466,490
Support services:			
Management and general support	2,096,011	-	2,096,011
Total expenses	7,562,501	-	7,562,501
Change in net assets	554,914	14,314	569,228
Net assets at beginning of year	2,941,392	138,022	3,079,414
Net assets at end of year	\$ 3,496,306	\$ 152,336	\$ 3,648,642

The accompanying notes are an integral part of this combined financial statement.

Pelican Educational Foundation, Inc. and Affiliate
Combined Statements of Functional Expenses

	Program	Support	
<i>For the year ended June 30,</i>	Instructional	Management and general	2024
Salaries and benefits	\$ 5,156,162	\$ 1,030,639	\$ 6,186,801
Purchased professional services	275,209	1,157,162	1,432,371
Student transportation services	967,731	-	967,731
Materials and supplies	274,972	127,640	402,612
Food service management	707,948	-	707,948
Depreciation	861,023	45,583	906,606
Equipment	-	335,962	335,962
Energy	66,034	3,485	69,519
Communications	-	111,667	111,667
Dues and fees	25,008	-	25,008
Repairs and maintenance	119,810	6,323	126,133
Advertising	-	67,820	67,820
Insurance	59,444	3,137	62,581
Cleaning services	174,665	9,219	183,884
Books and periodicals	223,213	-	223,213
Interest	-	1,546,664	1,546,664
Utility services	12,721	671	13,392
Travel	-	14,663	14,663
Total	\$ 8,923,940	\$ 4,460,635	\$ 13,384,575

The accompanying notes are an integral part of this combined financial statement.

Pelican Educational Foundation, Inc. and Affiliate
Combined Statements of Functional Expenses

	Program	Support	
		Management	
<i>For the year ended June 30,</i>	Instructional	and general	2023
Salaries and benefits	\$ 3,555,667	\$ 1,014,774	\$ 4,570,441
Purchased professional services	112,880	778,116	890,996
Student transportation services	647,657	-	647,657
Materials and supplies	206,953	21,975	228,928
Food service management	331,214	-	331,214
Depreciation	15,350	808	16,158
Loss on disposal of assets	11,957	629	12,586
Energy	171,703	9,062	180,765
Communications	-	82,953	82,953
Dues and fees	94,657	-	94,657
Repairs and maintenance	98,495	5,199	103,694
Advertising	-	161,949	161,949
Insurance	51,550	2,721	54,271
Cleaning services	38,978	2,057	41,035
Books and periodicals	66,426	-	66,426
Rentals	41,786	2,205	43,991
Utility services	21,217	1,120	22,337
Travel	-	12,443	12,443
Total expenses	\$ 5,466,490	\$ 2,096,011	\$ 7,562,501

The accompanying notes are an integral part of this combined financial statement.

Pelican Educational Foundation, Inc. and Affiliate
Combined Statements of Cash Flows

<i>For the year ended June 30,</i>	2024	2023
Operating Activities		
Change in net assets	\$ 1,226,082	\$ 569,228
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	906,606	16,158
Amortization of right-of-use assets	60,368	-
Gain on termination of finance lease	(675,403)	-
Loss on disposal of assets	-	12,586
Changes in operating assets and liabilities:		
Grants receivable	442,257	439,658
Prepaid expenses and other assets	40,486	(224,195)
Accounts payable	(42,681)	(67,539)
Accrued expenses	257,217	(23,549)
Operating lease liabilities	(60,368)	-
Net cash provided by (used in) operating activities	2,154,564	722,347
Investing Activities		
Purchase of property and equipment	(23,908,248)	(72,624)
Net cash provided by (used in) investing activities	(23,908,248)	(72,624)
Financing Activities		
Principal payments on finance lease liabilities	(130,455)	-
Proceeds from issuance of bonds	23,053,745	-
Net cash provided by (used in) financing activities	22,923,290	-
Net change in cash, cash equivalents, and restricted cash	1,169,606	649,723
Cash, cash equivalents, and restricted cash at beginning of year	3,311,702	2,661,979
Cash, cash equivalents, and restricted cash at end of year	\$ 4,481,308	\$ 3,311,702
Reconciliation to Statement of Financial Position		
Cash and cash equivalents	\$ 4,444,020	\$ 3,265,824
Restricted cash	37,288	45,878
Cash, cash equivalents, and restricted cash at end of year	\$ 4,481,308	\$ 3,311,702
Schedule of NonCash Investing and Financing Transactions		
Lease liabilities arising from obtaining right-of-use assets:		
Operating Leases	\$ 320,286	\$ -

The accompanying notes are an integral part of this combined financial statement.

Pelican Educational Foundation, Inc. and Affiliate Notes to Combined Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Pelican Educational Foundation, Inc.

Pelican Educational Foundation, Inc. (the School) (a nonprofit organization) (d/b/a Kenilworth Science & Technology Charter School) was created as a non-profit corporation under the laws of the State of Louisiana on November 4, 2005. On March 12, 2009, the Board of Elementary and Secondary Education approved the School's application to transform Kenilworth Middle, a consistently failing public school in East Baton Rouge Parish, into a high-performing college-preparatory science and technology oriented charter school serving grades 6 through 8. Kenilworth Science & Technology Charter School began its first year of school on August 7, 2009.

The School operates under the direction of a seven member board of directors. The board of directors is responsible for carrying out the provisions of the contract which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The board of directors controls the School's instructional/support facility staffed by approximately 80 personnel who provide services to approximately 750 students.

The State Board of Elementary and Secondary Education (BESE) granted the School a Type 5 charter to operate Pelican Educational Foundation, Inc. in March 2009. Effective July 1, 2019, a new charter was issued by the Louisiana Department of Education, extending the School's Type 5 charter through June 2022. Effective July 1, 2022, the Foundation's Type 5 charter was renewed through June 30, 2025.

The State Board of Elementary and Secondary Education (BESE) granted the School a Type 2 charter to operate Pelican Educational Foundation, Inc. in January 2022 for the 2022-2023 school year, which in part, allows for the expansion to include grades K-8. Effective July 1, 2023, a new charter was issued by the Louisiana Department of Education, initiation the School's Type 2 charter through June 2028.

Friends of Pelican Educational Foundation, Inc.

In May 2022, Friends of Pelican Educational Foundation, Inc., (the Friends of Pelican), a Louisiana nonprofit corporation, was established. It is organized exclusively for the benefit and support of Pelican Educational Foundation, Inc., a Louisiana nonprofit corporation, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). The Friends of Pelican is authorized to engage in any lawful activity for which corporations may be formed under the Louisiana Nonprofit Corporation Law, subject to the restriction that the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Code Section 501(c)(3) or by a corporation the contributions to which are deductible under Code Section 170. As such, the Friends of Pelican is considered a related party of the School.

Pelican Educational Foundation, Inc. and Affiliate

Notes to Combined Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION (CONTINUED)

The Foundation's program services consist of the following:

Instructional – The Foundation provides educational services to students in East Baton Rouge Parish for grades K-8 and a program for students with high-performing college-preparatory science and technology needs.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Principles of Combination

The combined financial statements include accounts of Pelican Educational Foundation, Inc. and Friends of Pelican Educational Foundation, Inc, collectively referred to as the Foundation. All material intercompany account balances and transactions have been eliminated.

Use of Estimates

The preparation of U.S. GAAP combined financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to useful lives of assets, allocation of functional expenses, and calculation of lease amortization.

Cash and Cash Equivalents, Cash Restricted for Student Activities

Cash consists of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts received from individual donors who state the specific use or cash collected for student activities.

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

Pelican Educational Foundation, Inc. and Affiliate

Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Receivable

Grants receivable represent amounts owed to the Foundation which are expected to be collected within twelve months.

Property and Equipment

Property and equipment are capitalized at cost and updated for additions and retirements during the year. The Foundation maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. All reported property and equipment, except land, is depreciated. Depreciation is computed using the straight-line method (the lesser of management's estimated useful life of a capitalized asset, the remaining life of the Foundation's charter, or the remaining life of the building lease, if the capitalized asset would stay with the building if the Foundation vacated).

Assets acquired with Department of Education funds are owned by the Foundation while used in the purpose for which it was purchased. The 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.

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets, consisting of improvements, furniture and fixtures, and office and classroom equipment for impairment and determines whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. The Foundation determines recoverability of assets by comparing the carrying value of the asset to the net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during 2024 or 2023.

Leases

The Foundation leases office space and equipment. The Foundation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities in the combined statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the combined statements of financial position.

Pelican Educational Foundation, Inc. and Affiliate

Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Foundation uses a risk-free rate or incremental borrowing rate based on the information available at the commencement date of a lease in determining the present value of its lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the combined financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Pelican Educational Foundation, Inc. and Affiliate

Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

A significant portion of the Foundation's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

The Foundation recognizes MFP, donations, and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been substantially met. MFP, donations, and contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

A portion of the Foundation's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the combined statements of financial position.

Special event and fundraising income are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied, or when performance obligations are met. There was no special event or fundraising income during the fiscal years ended June 30, 2024 and 2023.

The Foundation recognized contributed nonfinancial assets within revenue, including contributions of food commodities. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. There were no donated assets for the year ended June 30, 2024. Donated assets totaled \$12,235 for the year ended June 30, 2023.

Pelican Educational Foundation, Inc. and Affiliate

Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the combined financial statements since the recognition criteria were not met. There were no donated services that met the criteria for recognition for the years ended June 30, 2024 and 2023.

Functional Allocation of Expenses

Any costs related to program administration is functionally classified as supporting service expenses. Any costs related to activities that constitute direct conduct or direct supervision of program service are program expenses. The combined financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the Foundation.

The costs of providing the program and other activities have been summarized on a functional basis in the combined statements of activities and combined statements of functional expenses. The majority of expense are allocated based on actual time and effort. Energy, utility services, insurance, repairs and maintenance, and depreciation expenses have been allocated based on square footage.

Advertising

The Foundation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2024 and 2023, advertising costs totaled \$67,820 and \$161,949, respectively.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Foundation is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions. There was no unrelated business income for the years ended June 30, 2024 and 2023.

The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the combined financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Pelican Educational Foundation, Inc. and Affiliate

Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

As of June 30, 2024 and 2023, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the combined financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued, December 21, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these combined financial statements.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.

The Foundation elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Foundation recognized a lease liability of \$259,918, which represents the present value of the remaining operating lease payments of \$280,297, discounted using our incremental borrowing rate of 3.76%, and a right-of-use asset of \$259,918.

The standard had a material impact on the Foundation's combined statement of financial position as of June 30, 2023, but did not have an impact on the combined statement of activities, nor combined statement of cash flows for the year then ended. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Pelican Educational Foundation, Inc. and Affiliate

Notes to Combined Financial Statements

Note 3: LIQUIDITY AND FINANCIAL AVAILABILITY OF RESOURCES

The Foundation maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Foundation's expenditures come due. The following reflects the Foundation's financial assets as of June 30, 2024, reduced by amounts not available for general use within one year of June 30, 2024 because of contractual or donor-imposed restriction.

<i>June 30,</i>	2024	2023
Total assets at year end	\$ 29,044,786	4,290,505
Less non-financial assets		
Prepaid expenses and other assets	(183,709)	(224,195)
Operating lease right-of-use assets, net	(259,918)	-
Property and equipment, net	(23,880,125)	(72,625)
Financial assets at year-end	4,721,034	3,993,685
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	(143,746)	(152,336)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,577,288	\$ 3,841,349

The Foundation is principally supported by amounts collected per student for the services it provides and federal grants. The goal of the Foundation is to maintain available financial assets to meet its next 30 days of operating expenses of approximately \$1,115,000.

Note 4: CASH EQUIVALENTS - LAMP

The Foundation holds cash equivalents in LAMP. This pool is administered by a non-profit corporation, Louisiana Asset Management Pool, Inc., which was organized under the laws of the State of Louisiana and is not required to be a registered investment company under the Investment Company Act of 1940; however, its policies are similar to those established by Rule 2a-7, which governs registered money market funds.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments and cash equivalent options. LAMP is rated AAAM by Standard & Poor's. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP's balances are stated at fair value based on quoted market values. The fair values of the assets are determined on a weekly basis to monitor any variances between amortized costs and fair values. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Pelican Educational Foundation, Inc. and Affiliate
Notes to Combined Financial Statements

Note 4: CASH EQUIVALENTS – LAMP (CONTINUED)

As of June 30, 2024 and 2023, the Foundation has cash equivalents in LAMP totaling \$3,089,657 and \$-, respectively.

Note 5: GRANTS RECEIVABLE

Grants receivable are deemed to be fully collectible by management and were comprised of the following as of June 30, 2024 and **2023**:

	2024	2023
Title I – School Improvement Grant	\$ 146,075	\$ 117,178
ESSER	-	508,738
REAL	56,000	-
School Food Service	14,734	32,125
Other grants	22,917	23,942
Total grants receivable	\$ 239,726	\$ 681,983

Note 6: PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets as of June 30, 2024 and **2023**, consisted of the following:

	2024	2023
Software user licenses	\$ -	\$ 9,114
Deposits on purchased property and equipment	171,418	180,081
Deposit on building lease	12,291	35,000
Total prepaid expenses and other assets	183,709	224,195
Less: non-current items	-	41,329
Prepaid expenses and other assets, current	\$ 183,709	\$ 182,866

Pelican Educational Foundation, Inc. and Affiliate

Notes to Combined Financial Statements

Note 7: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 and **2023**, consisted of the following:

	Estimated Useful Lives (in years)		2024		2023
Building and improvements	10-15	\$	23,054,010	\$	-
Furniture and fixtures	5-10		927,129		72,625
Less: accumulated depreciation			(100,748)		-
Property and equipment, net		\$	23,880,391	\$	72,625

Depreciation expense for the years ended June 30, 2024 and **2023** totaled \$906,606 and \$16,158, respectively.

Note 8: LEASES

Building Lease

In July 2022, the Foundation (Tenant) executed an agreement with Building Hope Siegen Lane, Inc. (Building Hope or Landlord) to lease a yet-to-be-constructed building to house a public elementary school facility (the property). The lease began on the later of substantial completion or July 1, 2023 (the commencement date) and expires on the 25th anniversary of the commencement date. There are two five (5) year renewal options. Base rent was due monthly and was determined at the commencement date, based on actual costs to complete the construction.

As per the agreement, the Tenant was responsible for all repairs and maintenance and any related taxes of the building as of the commencement date. The Tenant maintained the first right of refusal to purchase the property if, at any time, the Landlord received an offer for the property. The Tenant also had the option to purchase the property at any time during the lease at the greater of fair market value or 105% of project cost plus any outstanding deferred rent.

The lease between the Foundation and Building Hope commenced August 10, 2023.

As of June 20, 2024, the Foundation's lease agreement with Building Hope Siegen Lane, Inc was terminated. Friends of Pelican Educational Foundation, Inc. purchased the School building located on Siegen Lane as of June 20, 2024.

Pelican Educational Foundation, Inc. and Affiliate
Notes to Combined Financial Statements

Note 8: LEASES (CONTINUED)

Other Leases

For the year ended June 30, 2024, the Foundation entered into an operating lease for office equipment for 48 months, with a related monthly expense of approximately \$95. The Foundation also has three operating leases for printers, having remaining lease terms of 48 months and each lease having monthly payments of \$1,923.

Operating lease costs for the years ended June 30, 2024 and 2023 consists of \$60,368 and \$-, respectively. As of June 30, 2024 and 2023, the weighted average remaining lease terms is 4 years and the weighted average discount rate is 3.76%.

Future minimum lease payments under non-cancellable leases as of June 30, 2024, were as follows:

2025	\$ 70,356
2026	70,356
2027	70,356
2028	69,228
2029	-
Thereafter	-
Total future minimum lease payments	280,297
Less imputed interest	(20,379)
Present value of lease liabilities	\$ 259,918

Note 9: BOND PAYABLE

Friends of Pelican Educational Foundation, Inc entered into a bond payable with a financial institution on June 20, 2024, in order to purchase the School building located on Siegen Lane. The debt is separated into 2 bonds with an interest rate of 4.75%. The bond agreements have maturity dates of July 1, 2054.

Pelican Educational Foundation, Inc. and Affiliate
Notes to Combined Financial Statements

Note 9: BOND PAYABLE (CONTINUED)

Bonds payable consists of the following:

<i>June 30,</i>	2024
Louisiana Local Government Environmental Facilities and Community Development Authority Series 2023A Revenue Bond, monthly payment of \$31,000 including interest of 4.75% per annum, maturity of July 1, 2054	\$ 23,674,000
Louisiana Local Government Environmental Facilities and Community Development Authority Series 2023B Revenue Bond, monthly payment of \$31,000 including interest of 4.75 per annum, maturity of July 1, 2054	276,000
 Bonds payable	 23,950,000
Less current portion	(309,000)
Less debt issuance costs	(896,255)
 Bonds payable, net	 \$ 22,744,745

Interest expense related to the bond agreement was \$- for the years ended June 30, 2024 and 2023.

Maturities of bonds payable subsequent to June 30, 2024 consists of the following:

<i>For the year ending June 30,</i>	
2025	\$ 309,000
2026	388,000
2027	405,000
2028	425,000
2029	445,000
Thereafter	21,978,000
 Total	 \$ 23,950,000

Pelican Educational Foundation, Inc. and Affiliate
Notes to Combined Financial Statements

Note 10: NET ASSETS

When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the combined statements of activities as net assets released from restriction.

Net assets with donor restrictions at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Purpose restricted:		
Student activities	\$ 37,288	\$ 45,878
Child Nutrition Program	106,458	106,458
Total net assets with donor restrictions	\$ 143,746	\$ 152,336

A summary of the release of donor restrictions consists of the following:

	2024	2023
Purpose restricted:		
Student activities	\$ 10,091	\$ 45,155
Total net assets with donor restrictions	\$ 10,091	\$ 45,155

Note 11: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the combined statements of activities included:

	2024	2023
Food	\$ -	\$ 12,235
Total contributed nonfinancial assets	\$ -	\$ 12,235

Contributed food was utilized in the child nutrition program. In valuing food, the Foundation estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Pelican Educational Foundation, Inc. and Affiliate

Notes to Combined Financial Statements

Note 12: CONTINGENCIES

The continuation of the Foundation is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with the Board of Elementary and Secondary Education. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

The Foundation maintains its cash balances at a financial institution located in Baton Rouge, Louisiana. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of June 30, 2024 and 2023 the Foundation's balances exceeded the FDIC insurance by \$1,221,113 and \$3,063,034, respectively. The under-insured portion is secured by pledged collateral. Management has not experienced any losses in such accounts and does not believe the Foundation is exposed to significant risk.

Note 13: CONCENTRATIONS

For the years ended June 30, 2024 and 2023, the Foundation received approximately 45% and 37%, respectively, of its total revenue from local public school funds, approximately 25% and 24%, respectively, of its total revenue from state public school funds, and approximately 12% and 36%, respectively, of its total revenue from federal programs.

For the year ended June 30, 2024 and 2023, the Foundation's grant receivables from federal sources accounted for 100% of total receivables.

Note 14: RETIREMENT PLAN

Employees of the Foundation, meeting certain plan eligibility requirements, are eligible to participate in its sponsored 403(b) defined contribution plan, managed by American United Life Insurance Company. For eligible employees, the Foundation makes a discretionary contribution based on an employee's gross wages as follows, chosen by the eligible employee: either a 5% employer contribution or 3% employer contribution and a 2% gross wage increase. The Foundation's contribution are calculated at the end of each plan year and remitted subsequently. The Foundation's calculated discretionary contributions for the years ended June 30, 2024 and 2023, were \$150,011 and \$132,935, respectively, and are recorded in the combined statements of financial position in accrued expenses.

Pelican Educational Foundation, Inc. and Affiliate
Notes to Combined Financial Statements

Note 15: COMPENSATED ABSENCES

All contracted employees are granted ten days of paid time off per year, provided that the employee is contracted for a full year. Annually, in June, any remaining paid time off balance from the fiscal year is paid out. At June 30, 2024 and 2023, there was no remaining unused paid time off and, therefore, no accrual recorded in the combined statements of financial position.

Note 16: EMPLOYEE RETENTION CREDIT

In July 2023, the Foundation received \$1.5 million from the IRS related to its previously submitted Employee Retention Credit (ERC) tax refund claim for the periods June 2020, September 2020, December 2020, March 2021, June 2021, and September 2021. Due to the uncertainty around the ERC, the Foundation recorded it when received.



SUPPLEMENTARY INFORMATION



Pelican Educational Foundation, Inc.

Schedule of Compensation, Benefits and Other Payments to Agency Head

For the year ended June 30,

2024

Agency Head Name: Hasan Suzuk, Executive Director

PURPOSE	AMOUNT
Salary	\$ 115,704
Benefits-health insurance	10,800
Benefits-Fica & Medicare	9,146
Benefits-retirement	5,610
Workers comp	-
Deferred compensation	-
Benefits-life insurance	50
Benefits-long term disability	173
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	1,355
Travel	-
Registration fees and conference travel	2,567
Unvouchered expenses	-
Meetings & conventions	-
Other	10
Total	\$ 145,416

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

Board of Directors
Pelican Educational Foundation, Inc. and Affiliate
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 combined financial statements of Pelican Educational Foundation, Inc. and Affiliate (the Foundation) (a nonprofit organization) (d/b/a Kenilworth Science & Technology Charter School), which comprise the combined statement of financial position as of June 30, 2024, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 21, 2024.

Report on Internal Control Over Financial Reporting

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

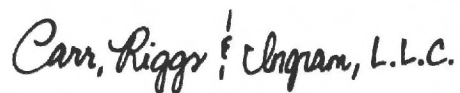
Our consideration of internal control was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Metairie, Louisiana
December 21, 2024



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

Board of Directors
Pelican Educational Foundation, Inc. and Affiliate
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pelican Educational Foundation Inc. and Affiliate's (the Foundation) (a nonprofit organization) (d/b/a Kenilworth Science and Technology Charter School) 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 the Foundation's major federal programs for the year ended June 30, 2024. The Foundation'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, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the Foundation 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 the Foundation'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 the Foundation'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 the Foundation'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 generally accepted auditing standards, *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 the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the Foundation'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 the Foundation'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 the Foundation'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.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 21, 2024

Pelican Educational Foundation, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Total Federal Expenditures (\$)</i>
<u>United States Department of Education/Louisiana Department of Education</u>			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 448,824
Supporting Effective Instruction State Grants	84.367	N/A	58,850
Student Support and Academic Enrichment Program	84.424	N/A	21,591
<u>United States Department of Education/ Special Education Cluster</u>			
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	177,381
Special Education - School Redesign Grant	84.027A	N/A	1,634
<i>Total Special Education Cluster</i>			179,015
<u>Education Stabilization Fund</u>			
ARP - ESSER II Formula	84.425D	N/A	600
ARP - ESSER II New School Choice	84.425D	N/A	350,000
ARP - ESSER III Incentive	84.425D	N/A	1,200
ARP - Real-time Early Access to Literacy Grant	84.425B	N/A	56,000
<i>Total COVID-19 & ARP Education Stabilization Fund</i>			407,800
<i>Total Department of Education</i>			1,116,080
<u>United States Department of Agriculture/Direct Program/</u>			
<u>Child Nutrition Cluster</u>			
National School Lunch Program	10.555	N/A	872,921
<i>Total Department of Agriculture</i>			872,921
<i>Total Expenditures of Federal Awards</i>			\$ 1,989,001

*Pelican Educational Foundation did not pass-through any amounts to subrecipients.

Pelican Educational Foundation, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – This schedule includes the activity of Pelican Educational Foundation, Inc. and Affiliate (the Foundation) (a nonprofit organization) (d/b/a Kenilworth Science and Technology Charter School) and 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 2: INDIRECT COST RATE

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

Note 3: RECONCILIATION OF FEDERAL GRANT REVENUE TO EXPENDITURES OF FEDERAL AWARDS

Federal awards revenues reported in the Foundation's combined financial statements reconcile to federal award expenditures as follows:

For the year ended June 30, 2024

Total federal expenditures	\$ 1,989,001
Child nutrition program net cash resources used	(174,062)
Total federal revenues	\$ 1,814,939

Note 4: LOAN

The Foundation did not expend federal awards related to loans or loan guarantees during the year.

Note 5: FEDERALLY FUNDED INSURANCE

The Foundation has no federally funded insurance.

Note 6: NONCASH ASSISTANCE

The Foundation received no noncash assistance.

Pelican Educational Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I: SUMMARY OF AUDITOR'S RESULTS

Combined Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(es) identified? None noted

Noncompliance material to combined financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(es) identified? None noted

Type of auditor's report issued on compliance for major federal programs: Unmodified

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

Identification of major federal programs:

Assistance Listing #	Federal Program or Cluster
10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs.

Auditee qualified as a low-risk auditee for federal purposes? Yes

Pelican Educational Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section II: COMBINED FINANCIAL STATEMENT FINDINGS

There were no findings noted related to the combined financial statements for the year ended June 30, 2024.

Section III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings noted related to the major federal award program for the year ended June 30, 2024.

Section IV: MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2024.

Section V: SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.

Pelican Educational Foundation, Inc.
Combining Statement of Financial Position
For the Year Ended June 30, 2024

<i>June 30,</i>	Friends of Pelican		2024
	School	Educational Foundation	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 4,444,020	\$ -	\$ 4,444,020
Cash restricted for student activities	37,288	-	37,288
Grants receivable	239,726	-	239,726
Prepaid expenses and other assets, current	183,709	-	183,709
Total current assets	4,904,743	-	4,904,743
Non-current assets			
Operating lease right-of-use assets, net	259,918	-	259,918
Property and equipment, net	826,380	23,053,745	23,880,125
Total non-current assets	1,086,298	23,053,745	24,140,043
Total assets	\$ 5,991,041	\$ 23,053,745	\$ 29,044,786
Liabilities and Net Assets			
Current liabilities			
Accounts payable	\$ 110,793	\$ -	\$ 110,793
Accrued expenses	745,606	-	745,606
Current portion of operating lease liabilities	61,639	-	61,639
Short term portion of bond payable	-	309,000	309,000
Total current liabilities	918,038	309,000	1,227,038
Long-term liabilities			
Operating lease liabilities, less current portion	198,279	-	198,279
Bond payable, net of short term portion	-	22,744,745	22,744,745
Total long-term liabilities	198,279	22,744,745	22,943,024
Total liabilities	1,116,317	23,053,745	24,170,062
Net assets			
Without donor restrictions	4,730,978	-	4,730,978
With donor restrictions	143,746	-	143,746
Total net assets	4,874,724	-	4,874,724
Total liabilities and net assets	\$ 5,991,041	\$ 23,053,745	\$ 29,044,786

Pelican Educational Foundation, Inc.
Combining Statement of Activities
For the Year Ended June 30, 2024

<i>For the Year Ended June 30,</i>	School	Friends of Pelican Educational Foundation	2024 Total
Revenue and support			
MFP state	\$ 3,719,256	\$ -	\$ 3,719,256
MFP local	6,581,833	-	6,581,833
Federal grants	1,814,939	-	1,814,939
State grants	94,672	-	94,672
Contributions and donations	1,041	-	1,041
Miscellaneous	2,398,916	-	2,398,916
Total revenue and support	14,610,657	-	14,610,657
Expenses			
Program services:			
Instructional	8,923,940	-	8,923,940
Support services:			
Management and general support	4,460,635	-	4,460,635
Total expenses	13,384,575	-	13,384,575
Change in net assets	1,226,082	-	1,226,082
Net assets at beginning of year	3,648,642	-	3,648,642
Net assets at end of year	\$ 4,874,724	\$ -	\$ 4,874,724



Pelican Educational Foundation, Inc.

BESE Agreed-Upon Procedures Report

June 30, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
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 Pelican Educational Foundation, Inc. (a nonprofit organization) (the Foundation) for the fiscal year ended June 30, 2024; and to determine whether the specified schedules are free of obvious error and omissions, in compliance with Louisiana Revised Statute 24:514 I. The Foundation's management is responsible for its performance and statistical data.

The Foundation 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 results are as follows:

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

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

Results: No exceptions were found as a result of applying the above procedure.

Class Size Characteristics (Schedule 2)

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

Results: No exceptions were found as a result of applying the above procedure.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We will obtain 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 obtain management's representation that the data/listing was complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Results: No exceptions were found as a result of applying the above procedure.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We will obtain 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 obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe 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: No exceptions were found as a result of applying the above procedure.

We were engaged by the Foundation 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 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 Pelican Education Foundation, Inc., 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.

Carr, Rigg & Ingram, L.L.C.

Metairie, Louisiana
December 21, 2024

Pelican Education Foundation, Inc.
Schedule 1 – General Fund Instructional and Support
Expenditures 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	\$ 3,585,473	
Other instructional staff activities	307,109	
Instructional Staff Employee benefits	891,466	
Purchased professional and technical services	3,671,440	
Instructional materials and supplies	377,692	
Less instructional equipment	(1,116,436)	
Total teacher and student interaction activities		<u>\$ 7,716,744</u>

Other instructional activities		<u>208,375</u>
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Pupil support activities	218,740	
Less equipment for pupil support activities	-	
Net pupil support activities		<u>218,740</u>

Instructional Staff Services	-	
Less equipment for instructional staff services	-	
Net instructional staff services		<u>-</u>

School Administration	950,345	
Less: Equipment for School Administration	-	
Net School Administration		<u>950,345</u>

Total general fund instructional expenditures		<u><u>\$ 9,094,204</u></u>
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Pelican Education Foundation, Inc.
Schedule 1 – General Fund Instructional and Support
Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2024

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	<hr/> <hr/> -

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	<hr/> <hr/> -

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	<hr/> -

Nonpublic textbook revenue	<hr/> -
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Nonpublic transportation revenue	<hr/> \$ -
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Pelican Education Foundation, Inc.
Schedule 2 – Class Size Characteristics
For the Year Ended June 30, 2024

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	30%	50	26%	44	44%	75	0%	-
Elementary Activity Classes	19%	6	28%	9	38%	12	16%	5
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-



PELICAN EDUCATIONAL FOUNDATION, INC.

STATEWIDE AGREED-UPON PROCEDURES REPORT

June 30, 2024





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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Pelican Educational Foundation, 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. Pelican Educational Foundation, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Pelican Educational Foundation, Inc. (the School or the Foundation) 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*

A. 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:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: No exceptions were found as a result of applying the above procedure.

- 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.

Results: No exceptions were found as a result of applying the above procedure.

- iii. **Disbursements**, including processing, reviewing, and approving.

Results: No exceptions were found as a result of applying the above procedure.

- 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).

Results: No exceptions were found as a result of applying the above procedure.

- v. **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 rates of pay or approval and maintenance of pay rate schedules.

Results: No exceptions were found as a result of applying the above procedure.

- 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.

Results: No exceptions were found as a result of applying the above procedure.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: No exceptions were found as a result of applying the above procedure.

- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).

Results: No exceptions were found as a result of applying the above procedure.

- ix. **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.

Results: No exceptions were found as a result of applying the above procedure.

- x. **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.

Results: No exceptions were found as a result of applying the above procedure.

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.

Results: No exceptions were found as a result of applying the procedure.

- ii. 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.

Results: No exceptions were found as a result of applying the procedure.

- iii. Observe whether 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: No exceptions were found as a result of applying the procedure.

3) Bank Reconciliations

- A. 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:

Results: No exceptions were found as a result of applying the procedure.

- i. 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);

Results: No exceptions were found as a result of applying the procedure.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Results: No exceptions were found as a result of applying the procedure.

- iii. 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.

Results: No exceptions were found as a result of applying the procedure.

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).

Results: No exceptions were found as a result of applying the procedure.

- 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

Results: No exceptions were found as a result of applying the procedure.

- i. Employees responsible for cash collections do not share cash drawers/registers;

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

- 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; and

Results: No exceptions were found as a result of applying the procedure.

- 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, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were found as a result of applying the procedure.

- 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.

Results: No exceptions were found as a result of applying the procedure.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

- 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 and the cash is stored securely in a locked safe or drawer).

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

5) Non-Payroll Disbursements (excluding card purchases, 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).

Results: No exceptions were found as a result of applying the procedure.

B. For each location selected under procedure #5A 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, then 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 or making the purchase;

Results: No exceptions were found as a result of applying the procedure.

- ii. At least two employees are involved in processing and approving payments to vendors;
Results: No exceptions were found as a result of applying the procedure.
 - 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;
Results: No exceptions were found as a result of applying the procedure.
 - 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; and
Results: No exceptions were found as a result of applying the procedure.
 - 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.
Results: No exceptions were found as a result of applying the procedure.
- C. For each location selected under procedure #5A 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
- Results:** No exceptions were found as a result of applying the procedure.
- i. Observe whether 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, and
Results: No exceptions were found as a result of applying the procedure.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
Results: No exceptions were found as a result of applying the procedure.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, 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. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.
- Results:** No exceptions were found as a result of applying the procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

Results: No exceptions were found as a result of applying the procedure.

- 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 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; and

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

- C. Using the monthly statements or combined statements selected under procedure #7B 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: No exceptions were found as a result of applying the procedure.

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 and 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

Results: No exceptions were found as a result of applying the procedure.

- i. If reimbursed using a per diem, observe that 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);

Results: No exceptions were found as a result of applying the procedure.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Results: No exceptions were found as a result of applying the procedure.

- 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 Policies and Procedures procedure #1A(vii); and

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

8) Contracts

- 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

Results: No exceptions were found as a result of applying the procedure.

- i. 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;

Results: No exceptions were found as a result of applying the procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

Results: No exceptions were found as a result of applying the procedure.

- 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); and

Results: No exceptions were found as a result of applying the procedure.

- 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: No exceptions were found as a result of applying the procedure.

9) Payroll and Personnel

- A. 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.

Results: No exceptions were found as a result of applying the procedure

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Results: No exceptions were found as a result of applying the procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Results: No exceptions were found as a result of applying the procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

Results: No exceptions were found as a result of applying the procedure.

- iv. Observe that the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were found as a result of applying the procedure.

- 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Results: No exceptions were found as a result of applying the procedure.

- 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: No exceptions were found as a result of applying the procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Results: No exceptions were found as a result of applying the procedure.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: No exceptions were found as a result of applying the procedure.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of applying the procedure.

11) Fraud Notice

- 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.

Results: No exceptions were found as a result of applying the procedure.

- 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: No exceptions were found as a result of applying the procedure.

12) Information Technology Disaster Recovery/Business Continuity

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 there is no written documentation, then 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.

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

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

- 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.

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

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedures #9A, 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.

We were engaged by the Foundation 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 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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our agreed-upon procedures engagement.

The 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.

Carr, Rigg & Ingram, L.L.C.

Metairie, Louisiana
December 21, 2024