



**Pelican Educational Foundation, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2023**



	Page
<b>REPORT</b>	
Independent Auditors' Report .....	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	4
Statement of Activities.....	5
Statement of Functional Expenses .....	6
Statement of Cash Flows .....	7
Notes to the Financial Statements .....	8
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Compensation, Benefits and Other Payments Made to Agency Head .....	20
<b>REPORTS AND SCHEDULES REQUIRED BY P</b>	
<b>GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	21
Independent Auditors' Report on Compliance for the Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	23
Schedule of Expenditures of Federal Awards .....	26
Notes to Schedule of Expenditures of Federal Awards .....	27
Schedule of Findings and Questioned Costs.....	29



# REPORT





Carr, Riggs & Ingram, LLC  
111 Veterans Boulevard  
Suite 350  
Metairie, LA 70005  
  
504.837.9116  
504.837.0123 (fax)  
CRIcpa.com

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023, and the changes in its net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments made to agency head is

presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, 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 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, Rigg & Ingram, L.L.C.*

Metairie, Louisiana  
December 21, 2023



# FINANCIAL STATEMENTS



**Pelican Educational Foundation, Inc.**  
**Statement of Financial Position**

*June 30,*

**2023**

**Assets**

Current assets

Cash and cash equivalents	\$ 3,265,824
Cash restricted for student activities	45,878
Grants receivable	681,983
Prepaid expenses and other assets, current	182,866

Total current assets 4,176,551

Non-current assets

Prepaid expenses and other assets, non-current	41,329
Property and equipment, net	72,625

Total non-current assets 113,954

Total assets \$ 4,290,505

**Liabilities and Net Assets**

Current liabilities

Accounts payable	\$ 153,474
Accrued expenses	488,389

Total liabilities 641,863

Net assets

Without donor restrictions	3,496,306
With donor restrictions	152,336

Total net assets 3,648,642

Total liabilities and net assets \$ 4,290,505

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

**Pelican Educational Foundation, Inc.**  
**Statement of Activities**

<i>For the year ended June 30,</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2023 Total</b>
<b>Revenue and support</b>			
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)	-
<b>Total revenue and support</b>	<b>8,117,415</b>	<b>14,314</b>	<b>8,131,729</b>
<b>Expenses</b>			
Program services:			
Instructional	5,466,490	-	5,466,490
Support services:			
Management and general support	2,096,011	-	2,096,011
<b>Total expenses</b>	<b>7,562,501</b>	<b>-</b>	<b>7,562,501</b>
Change in net assets	554,914	14,314	569,228
Net assets at beginning of year	2,941,392	138,022	3,079,414
<b>Net assets at end of year</b>	<b>\$ 3,496,306</b>	<b>\$ 152,336</b>	<b>\$ 3,648,642</b>

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

**Pelican Educational Foundation, Inc.**  
**Statement of Functional Expenses**

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

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

**Pelican Educational Foundation, Inc.**  
**Statement of Cash Flows**

*For the year ended June 30,*

**2023**

**Operating Activities**

Change in net assets	\$	569,228
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense		16,158
Loss on disposal of assets		12,586
Changes in operating assets and liabilities:		
Grants receivable		439,658
Prepaid expenses and other assets		(224,195)
Accounts payable		(67,539)
Accrued expenses		(23,549)

---

Net cash provided by (used in) operating activities		722,347
---	--	---------

---

**Investing Activities**

Purchase of property and equipment		(72,624)
------------------------------------	--	----------

---

Net cash provided by (used in) investing activities		(72,624)
---	--	----------

---

Net change in cash and cash equivalents and restricted		649,723
--	--	---------

Cash and cash equivalents and restricted cash at beginning of year		2,661,979
--	--	-----------

---

Cash and cash equivalents and restricted cash at end of year	\$	3,311,702
--	----	-----------

---

***RECONCILIATION TO STATEMENT OF FINANCIAL POSITION***

---

Cash and cash equivalents	\$	3,265,824
Restricted cash		45,878

---

<b>Total cash and cash equivalents and restricted cash</b>	<b>\$</b>	<b>3,311,702</b>
--	-----------	------------------

---

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

## **Pelican Educational Foundation, Inc.** **Notes to Financial Statements**

### **Note 1: DESCRIPTION OF THE ORGANIZATION**

#### ***Pelican Educational Foundation, Inc.***

Pelican Educational Foundation, Inc. (the Foundation) (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 Foundation'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 Foundation 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 Foundation's instructional/support facility staffed by approximately 60 personnel who provide services to approximately 400 students.

The State Board of Elementary and Secondary Education (BESE) granted the Foundation 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 Foundation'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 Foundation 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.

#### ***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 Foundation. The Friends of Pelican had no activity as of June 30, 2023. Once operations begin, the entity's activity will be consolidated with the Foundation for financial statement presentation.

**Pelican Educational Foundation, Inc.**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (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).

***Use of Estimates***

The preparation of U.S. GAAP 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 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 allocation of expenses by function and depreciation.

***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 statement 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.

***Grants Receivable***

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation balances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. As of June 30, 2023, management did not deem any receivables to be uncollectable; therefore no allowance was recorded.

***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,

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Property and Equipment (Continued)***

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 2023.

***Leases***

The Foundation leases office 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 statement of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statement of financial position.

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 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.

**Pelican Educational Foundation, Inc.**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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 financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Contributions with donor-imposed restrictions that are both received and released within the same year are classified as net assets without donor restrictions.

***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's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and locally from East Baton Rouge Parish School Board. For the year ended June 30, 2023, the Foundation received \$5,090 from the State and \$7,868 from East Baton Rouge School Board per eligible student in attendance at the official pupil count date of October 1, 2022. MFP revenue accounts for 61% of the Foundation's total revenue for the year ended June 30, 2023.

**Pelican Educational Foundation, Inc.**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Revenue Recognition (continued)***

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 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 statement of financial position. Federal grants accounted for 37% of the Foundation's total revenue for the year ended June 30, 2023.

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 year ended June 30, 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.

***Functional 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 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 statement of activities and statement 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.

**Pelican Educational Foundation, Inc.**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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 year ended June 30, 2023, advertising costs totaled \$161,949.

***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. There was no unrelated business income for the year ended June 30, 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 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. As of June 30, 2023, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 21, 2023. See Note 11 and Note 14 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recently Adopted Accounting Pronouncements***

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. 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.

**Pelican Educational Foundation, Inc.**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Recently Adopted Accounting Pronouncements (continued)***

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 standard did not have material impact on the Foundation's statement of financial position, statement of activities, nor the statements of cash flows as of and for the year ended June 30, 2023. The most significant impact in future periods will be the recognition of ROU assets and lease liabilities for operating leases. See Note 11 for leases effective subsequent to year end.

**Note 3: LIQUIDITY AND 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 the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<u>December 31,</u>	<u>2023</u>
Total assets at year end	\$ 4,290,505
Less non-financial assets	
Prepaid expenses and other assets	(224,195)
Property and equipment, net	(72,625)
<hr/>	
Financial assets at year-end	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	(152,336)
<hr/>	
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,841,349
<hr/> <hr/>	

The Foundation is principally supported by its fees 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 \$630,000.

**Pelican Educational Foundation, Inc.**  
**Notes to Financial Statements**

**Note 4: GRANTS RECEIVABLE**

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

Title I – School Improvement Grant	\$	117,178
ESSER		508,738
School Food Service		32,125
Other grants		23,942
<hr/>		
Total grants receivable	\$	681,983
<hr/>		

**Note 5: PREPAID EXPENSES AND OTHER ASSETS**

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

Software user licenses	\$	9,114
Deposits on purchased property and equipment		180,081
Deposit on building lease		35,000
<hr/>		
Total prepaid expenses and other assets		224,195
Less: non-current items		41,329
<hr/>		
Prepaid expenses and other assets, current	\$	182,866
<hr/>		

**Note 6: PROPERTY AND EQUIPMENT**

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

	Estimated Useful Lives (in years)		
Building and improvements	10-15	\$	-
Furniture and fixtures	5-10		72,625
Office and classroom equipment	5		-
Less: accumulated depreciation			-
<hr/>			
Property and equipment, net		\$	72,625
<hr/>			

Depreciation expense was \$16,158 for the year ended June 30, 2023.

**Pelican Educational Foundation, Inc.**  
**Notes to Financial Statements**

**Note 6: PROPERTY AND EQUIPMENT (Continued)**

As of June 30, 2023, the Foundation's lease agreement with East Baton Rouge Parish School Board expired and the Foundation moved to its new location in July 2023. As such, the Foundation wrote off any remaining property and equipment that would not be transferred to the new location, most of which was fully depreciated property and equipment. A net loss on disposals of \$12,586 was recorded as of June 30, 2023.

**Note 7: NET ASSETS**

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

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

	<b>2023</b>
Purpose restricted:	
Student activities	\$ 45,878
Child Nutrition Program	106,458
<b>Total</b>	<b>\$ 152,336</b>

**Note 8: CONTRIBUTED NONFINANCIAL ASSETS**

For the year ended June 30, 2023, contributed nonfinancial assets recognized within the statement of activities included:

	<b>2023</b>
Food	\$ 12,235
<b>Total contributed nonfinancial assets</b>	<b>\$ 12,235</b>

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.**  
**Notes to Financial Statements**

**Note 9: RETIREMENT PLAN**

Employees of the Foundation, meeting certain plan eligibility requirement, 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 year ended June 30, 2023 was \$132,935 and is recorded in the statement of financial position in accrued expenses.

**Note 10: COMPENSATED ABSENCES**

All contracted employees are granted eight 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, 2023, there was no remaining unused paid time off and, therefore, no accrual recorded in the statement of financial position.

**Note 11: LEASE AGREEMENT, BUILDING LEASE, AND OTHER LEASES**

***Lease Agreement***

During the year ended June 30, 2023, the Foundation leased a building from the East Baton Rouge Parish School Board (EBRPSB) for Kenilworth Science and Technology Charter School absent of a lease agreement. The EBRPSB will forego any lease payments for the term of the lease. The agreement is classified as an exchange transaction because both parties receive significant value from the arrangement, the value of which is not readily determinable. Accordingly, the present value of the benefit to be received in future years has not been recorded.

The lease agreement between the Foundation and EBRPSB terminated June 30, 2023.

***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 which will house a public elementary school facility (the property). The lease begins 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.

**Note 11: LEASE AGREEMENT, BUILDING LEASE, AND OTHER LEASES (Continued)**

***Building Lease (continued)***

Base rent is due monthly and will be determined at the commencement date, based on actual costs to complete the construction. Based on the project's current budget, the base rent over the first (1st) year is estimated to be \$1,829,584. During the first three (3) years of the lease, a portion of the base rent may be deferred by Tenant and in such event the amount so deferred shall be accrued together with interest thereon at the rate of six and one half percent (6.5%) per annum, compounded monthly, until repaid in full. Deferred rent repayment would begin on the first day of the sixth (6th) lease year and continue through the twelfth (12th) lease year.

As per the agreement, the Tenant will be responsible for all repairs and maintenance and any related taxes of the building as of the commencement date. The Tenant does maintain the first right of refusal to purchase the property if, at any time, the Landlord receives an offer for the property. The Tenant also has 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.

***Other Leases***

The Foundation maintained various operating leases for office equipment whose leases ended as of June 30, 2023. The total rent expense under these agreements was \$24,384.

Subsequent to the year ended June 30, 2023, the Foundation entered into an operating lease for office equipment for 48 months, with a related monthly expense of approximately \$95, and office equipment for 60 months, with a related monthly expense of approximately \$1,925.

**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.

**Pelican Educational Foundation, Inc.**  
**Notes to Financial Statements**

**Note 12: CONTINGENCIES (Continued)**

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, 2023 the Foundation's balances exceeded the FDIC insurance by \$3,063,034. 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: SIGNIFICANT CONCENTRATIONS**

For the year ended June 30, 2023, the Foundation received approximately 24% of its total revenue from local public school funds, approximately 37% of its total revenue from state public school funds, and approximately 37% of its total revenue from federal programs.

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

**Note 14: 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.

**Pelican Educational Foundation, Inc.**

**Schedule of Compensation, Benefits and Other Payments Made to Agency Head**

*For the year ended June 30,*

2023

**Agency Head Name:** Hasan Suzuk, Executive Director

<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$ 109,962
Benefits-health insurance	11,502
Benefits-Fica & Medicare	8,127
Benefits-retirement	5,398
Workers comp	-
Deferred compensation	-
Benefits-life insurance	14
Benefits-long term disability	182
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	318
Travel	-
Registration fees and conference travel	5,759
Unvouchered expenses	-
Meetings & conventions	-
Other	-
<b>Total</b>	<b>\$ 141,262</b>



Carr, Riggs & Ingram, LLC  
111 Veterans Boulevard  
Suite 350  
Metairie, LA 70005  
  
504.837.9116  
504.837.0123 (fax)  
CRIcpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pelican Educational Foundation, Inc. (the Foundation) (a nonprofit organization) (d/b/a Kenilworth Science & Technology Charter School), which comprise the statement of financial position at June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the 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 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 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 may exist that have not been identified.

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

Metairie, Louisiana

December 21, 2023

## **INDEPENDENT AUDITORS' 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.  
Baton Rouge, Louisiana

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Pelican Educational Foundation Inc.'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, 2023. The Foundation's major federal programs are identified in the summary of auditors' 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, 2023.

#### ***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 Auditors' 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.

### ***Auditors' 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 Auditors' 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, Rigg & Ingram, L.L.C.*

Metairie, Louisiana  
December 21, 2023

**Pelican Educational Foundation, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

<b><i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i></b>	<b><i>Assistance Listing Number</i></b>	<b><i>Pass-through Entity Identifying Number</i></b>	<b><i>Federal Expenditures (\$)</i></b>
<u>United States Department of Education/Louisiana</u>			
<u>Department of Education</u>			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 529,025
Title I Grants to Local Educational Agencies/Redesign Planning 1003A	84.010	N/A	42,200
<b><i>Total Title I Grants to Local Educational Agencies</i></b>			<b>571,225</b>
Supporting Effective Instruction State Grants	84.367	N/A	29,865
Student Support and Academic Enrichment Program	84.424	N/A	46,207
Comprehensive Literacy State Development	84.371C	N/A	40,500
<u>United States Department of Education/ Special Education Cluster</u>			
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	94,059
Special Education - School Redesign Grant	84.027A	N/A	1,000
<b><i>Total Special Education Cluster</i></b>			<b>95,059</b>
<u>Education Stabilization Fund</u>			
ARP - ESSER II Formula	84.425D	N/A	697
ARP - ESSER II Incentive	84.425D	N/A	11,997
ARP - ESSER III Incentive	84.425D	N/A	6,360
ARP - ESSER III EB Interventions	84.425U	N/A	1,713
ARP - ESSER III Formula	84.425U	N/A	1,779,029
ARP - Homeless ARP	84.425W	N/A	-
<b><i>Total COVID-19 &amp; ARP Education Stabilization Fund</i></b>			<b>1,799,796</b>
<b><i>Total Department of Education</i></b>			<b>2,582,652</b>
<u>United States Department of Agriculture/Direct Program/</u>			
<u>Child Nutrition Cluster</u>			
National School Lunch Program	10.555	N/A	368,450
<b><i>Total Child Nutrition Cluster</i></b>			<b>368,450</b>
<u>United States Department of Agriculture/Direct Program</u>			
COVID-19 - Emergency Connectivity Fund Program	32.009	N/A	-
<b><i>Total Department of Agriculture</i></b>			<b>368,450</b>
<b><i>Total Expenditures of Federal Awards</i></b>			<b>\$ 2,951,102</b>

**Pelican Educational Foundation, Inc.**  
**Notes to Schedule of Expenditures of Federal**  
**Awards For the Year Ended June 30, 2023**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation – This schedule includes the activity of Pelican Educational Foundation, Inc. (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: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

**For the year ended June 30, 2023**

Total federal expenditures	\$ 2,951,102
Child nutrition program net cash resources	17,032
Total federal revenues	\$ 2,968,134

Reconciliation of federal awards revenue on the statement of activities as follows:

**For the year ended June 30, 2023:**

Federal grant revenue	\$ 2,955,899
Federal noncash assistance received	12,235
Total federal revenues	\$ 2,968,134

**Note 4: LOAN**

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

**Pelican Educational Foundation, Inc.  
Notes to Schedule of Expenditures of Federal  
Awards For the Year Ended June 30, 2023**

**Note 5: FEDERALLY FUNDED INSURANCE**

The Foundation has no federally funded insurance.

**Note 6: NONCASH ASSISTANCE**

The Foundation received federal noncash assistance for the fiscal year ended June 30, 2023 for USDA donated commodities in the amount of \$12,235.

**Pelican Educational Foundation, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

**Section I: SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to consolidated 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 auditors' 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
84.425 D, U, W	COVID-19 Education Stabilization Fund

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, 2023**

**Section II: FINANCIAL STATEMENT FINDINGS**

*There were no findings noted related to the financial statements for the year ended June 30, 2023.*

**Section III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

*There were no findings noted related to major federal award programs for the year ended June 30, 2023.*

**Section IV: MANAGEMENT LETTER**

*A management letter was not issued for the year ended June 30, 2023.*

**Section V: SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**2022-001 Significant Deficiency: Internal control over maintenance of documentation of procedures performed**

**Title and Assistance Listing Number of Federal Program:** Child Nutrition Cluster 10.555, 10.559

**Federal Award Identification Number and Year:** 2022

**Name of Federal Agency:** Department of Agriculture

**Questioned Costs:** None

*Criteria:* In accordance with 2 CFR 200, non-federal entities must establish and maintain effective internal controls over federal awards, to support the review and approval of expenses related to federal funds.

*Auditors' Recommendation:* CRI recommends that the Foundation implement controls to bolster the documentation maintained when performing the processes and procedures related to federal programs.

*Status:* Resolved.



**Pelican Educational Foundation, Inc.**

**BESE Agreed-Upon Procedures Report**

**June 30, 2023**



Carr, Riggs & Ingram, LLC  
111 Veterans Boulevard  
Suite 350  
Metairie, LA 70005

504.837.9116  
504.837.0123 (fax)  
CRlcpa.com

## **INDEPENDENT ACCOUNTANTS' 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, 2023; 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 the 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 random 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 1<sup>st</sup> 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 1<sup>st</sup> 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 30<sup>th</sup> 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: Exceptions noted; twenty-five (25) of twenty-five (25) individuals' salary and extra compensation were incorrectly reported on the June 30, 2023 data submitted to the Department of Education.**

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, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 21, 2023

**Pelican Education Foundation, Inc.**  
**Schedule 1 – General Fund Instructional and Support**  
**Expenditures and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2023**

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 1,891,473	
Other instructional staff activities	12,709	
Instructional Staff Employee benefits	398,084	
Purchased professional and technical services	956,548	
Instructional materials and supplies	366,477	
Less instructional equipment	(272,123)	
Total teacher and student interaction activities		\$ 3,353,168

Other instructional activities		241,751
--------------------------------	--	---------

Pupil support activities	53,091	
Less equipment for pupil support activities	-	
Net pupil support activities		53,091

Instructional Staff Services	-	
Less equipment for instructional staff services	-	
Net instructional staff services		-

School Administration	532,869	
Less: Equipment for School Administration	-	
Net School Administration		532,869

Total general fund instructional expenditures		\$ 4,180,879
---	--	--------------

**Pelican Education Foundation, Inc.**  
**Schedule 1 – General Fund Instructional and Support**  
**Expenditures and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2023**

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		-

Local earnings on investment in real property:

Earnings from 16th section property		-
Earnings from other real property		-
Total local earnings on investment in real property		-

State revenue in lieu of taxes:

Revenue sharing—constitutional tax		-
Revenue sharing—other taxes		-
Revenue sharing—excess portion		-
Other revenue in lieu of taxes		-
Total state revenue in lieu of taxes		-

Nonpublic textbook revenue		-
----------------------------	--	---

Nonpublic transportation revenue	\$	-
----------------------------------	----	---

**Pelican Education Foundation, Inc.**  
**Schedule 2 – Class Size Characteristics**  
**For the Year Ended June 30, 2023**

**AS OF OCTOBER 1, 2022**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	48%	77	27%	44	25%	40	0%	-
Middle/Jr. High Activity Classes	0%	-	4%	1	8%	2	88%	21
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

# PELICAN EDUCATIONAL FOUNDATION, INC.

d/b/a Kenilworth Science & Technology School  
8716 Siegen Ln  
Baton Rouge, LA 70810

Louisiana Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC  
111 Veterans Blvd.  
Suite 350  
Metairie, LA 70005

RE: Management's Response to  
Board of Elementary and Secondary Education Agreed-Upon Procedures  
Pelican Educational Foundation

Dear Sirs:

Pelican Educational Foundation will review policies and procedures in regard to the comments for each schedule of performance and statistical data and make appropriate changes that will improve reporting on each schedule of performance and statistical data that are cost effective and within our budget constraints.

Sincerely,



Hasan Suzuk, Executive Director

12/20/2023

Date



**PELICAN EDUCATIONAL FOUNDATION, INC.**

**STATEWIDE AGREED-UPON PROCEDURES REPORT**

**June 30, 2023**



Carr, Riggs & Ingram, LLC  
111 Veterans Boulevard  
Suite 350  
Metairie, LA 70005

504.837.9116  
504.837.0123 (fax)  
CRIcpa.com

## **INDEPENDENT ACCOUNTANTS' 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, 2022 through June 30, 2023. 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, 2022 through June 30, 2023. 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 School's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the School'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. **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 School'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:** Exception noted. The board/finance committee did not receive written updates of the progress of resolving the audit finding, according to management's corrective action plan, at each meeting until the finding was considered fully resolved.

### **3) Bank Reconciliations**

---

- A. Obtain a listing of School bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the School's main operating account. Select the School'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 (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 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 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 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 enforced 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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- 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 School'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 that the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the School, 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, as applicable.  
**Results:** No exceptions were found as a result of applying the procedure.

- D. Using the School'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 School's policy, and (b) approved by the required number of authorized signers per the School'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 (those instances requiring such approval may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); 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 #6B 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](http://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:** Exception noted. One (1) of five (5) reimbursements selected was not supported by an itemized receipt.

- 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:** Exception noted. One (1) of five (5) reimbursements selected contained meal charges which did not include documentation of the individual(s) participating.

- 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

**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 that 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 School'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 School's policy on termination payments. Agree the hours to the employee's or official's cumulate 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 School 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) 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 School reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the School 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 School 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.

### **11) 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 School’s most recent documentation that it has backed up its critical data (if 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 School’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

- iii. Obtain a listing of the School’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:** No exceptions were found as a result of applying the 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 of 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, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 21, 2023

# PELICAN EDUCATIONAL FOUNDATION, INC.

d/b/a Kenilworth Science & Technology School  
8716 Siegen Ln  
Baton Rouge, LA 70810

Louisiana Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC  
111 Veterans Blvd.  
Suite 350  
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures  
Pelican Educational Foundation, Inc.

Dear Sirs:

Pelican Educational Foundation, Inc. will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,

*Hasan Suzuk*

Hasan Suzuk, Executive Director

12/20/2023

Date