



Pelican Educational Foundation, Inc.

FINANCIAL STATEMENTS

June 30, 2021



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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 of the Financial Statements

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 at June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2021, 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.

Other Matters

Other 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 31, 2021, 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.

Caru, Riggs & Ingram, L.L.C.

Metairie, LA
December 31, 2021



FINANCIAL STATEMENTS



Pelican Educational Foundation, Inc.
Statement of Financial Position

June 30, 2021

Assets

Current assets

Cash and cash equivalents	\$	2,129,815
Cash restricted for student activities		31,090
Grants receivable		678,170

Total current assets		2,839,075
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Non-current assets

Property and equipment, net		147,320
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Total assets	\$	2,986,395
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Liabilities and Net Assets

Current liabilities

Accounts payable	\$	171,326
Accrued expenses		486,722

Total liabilities		658,048
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Net assets

Without donor restrictions		2,219,789
With donor restrictions		108,558

Total net assets		2,328,347
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Total liabilities and net assets	\$	2,986,395
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The accompanying notes are an integral part of this financial statement.

Pelican Educational Foundation, Inc.
Statement of Activities

For the year ended June 30,	Without Donor Restiction	With Donor Restriction	2021 Total
Revenue and support			
MFP state	\$ 1,773,580	\$ -	\$ 1,773,580
MFP local	2,719,661	-	2,719,661
Federal grants	1,546,853	96	1,546,949
State grants	11,181	-	11,181
Contributions and donations	5,512	-	5,512
Student activities	-	116	116
PPP loan revenue	199,705	-	199,705
Miscellaneous	5,970	-	5,970
Net assets released from restrictions	3,140	(3,140)	-
Total revenue and support	6,265,602	(2,928)	6,262,674
Expenses			
Program services:			
Instructional	3,657,793	-	3,657,793
Support services:			
Management and general support	1,800,536	-	1,800,536
Total expenses	5,458,329	-	5,458,329
Change in net assets	807,273	(2,928)	804,345
Net assets at beginning of year	1,412,516	111,486	1,524,002
Net assets at end of year	\$ 2,219,789	\$ 108,558	\$ 2,328,347

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

Pelican Educational Foundation, Inc.
Statement of Functional Expenses

For the year ended June 30,	Program	Support	
	Instructional	Management and general	2021 Total
Salaries and benefits	\$ 2,385,729	\$ 936,421	\$ 3,322,150
Purchased professional services	71,146	629,723	700,869
Student transportation services	328,150	-	328,150
Materials and supplies	176,422	34,974	211,396
Food service management	180,097	-	180,097
Depreciation	117,063	6,178	123,241
Energy	105,835	5,586	111,421
Communications	-	90,713	90,713
Dues and fees	89,608	-	89,608
Repairs and maintenance	61,082	3,224	64,306
Advertising	-	61,836	61,836
Insurance	53,844	2,842	56,686
Cleaning services	13,363	25,495	38,858
Books and periodicals	31,685	-	31,685
Rentals	23,978	1,266	25,244
Utility services	19,791	1,045	20,836
Travel	-	1,233	1,233
Total	\$ 3,657,793	\$ 1,800,536	\$ 5,458,329

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, 2021

Operating Activities	
Change in net assets	\$ 804,345
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation expense	123,241
Changes in operating assets and liabilities:	
Grants receivable	(397,785)
Other receivables	-
Prepaid expenses	2,893
Accounts payable	71,011
Accrued expenses	68,117
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Net cash provided by (used in) operating activities	671,822
Financing Activities	
Refundable advance	(199,705)
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Net change in cash and cash equivalents and restricted	472,117
Cash and cash equivalents and restricted cash at beginning of year	1,688,788
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Cash and cash equivalents and restricted cash at end of year	\$ 2,160,905
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RECONCILIATION TO STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents	\$ 2,129,815
Restricted cash	31,090
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Total cash and cash equivalents and restricted cash	\$ 2,160,905
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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. (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.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021, 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 are depreciated. Depreciation is computed using the straight-line method over lesser of the life of the current building lease or the following useful lives:

Buildings and improvements	10 years
Furniture and fixtures	7 years
Office and classroom equipment	5 years

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2021.

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.

Revenue and Revenue Recognition

Program income and other sources of 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. Prior to the adoption of ASC 606, the Foundation recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, or the sales price was fixed or determinable and collectability was reasonably assured.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition (Continued)

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, 2021, the Foundation received \$4,456 from the State and \$6,833 from East Baton Rouge School Board per eligible student in attendance at the official pupil count date of October 1, 2020. MFP revenue accounts for 78% of the Foundation's total revenue for the year ended June 30, 2021.

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.

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 18% of the Foundation's total revenue for the year ended June 30, 2021.

PPP Loan Revenue

In May 2020, the Foundation received a loan in the amount of \$589,000 under the Paycheck Protection Program (PPP) pursuant to the CARES Act and administered by the U.S. Small Business Administration (SBA). (See Note 7.)

The Foundation is recognizing revenue from the PPP loan following guidance under FASB ASC 958-605. PPP loan funds are considered a conditional contribution and recorded as a refundable advance on the statement of financial position until the barriers to entitlement are met. The Foundation considers the barriers to entitlement to include the incurrence of qualifying expenses and maintaining specified levels of payroll and employment. Revenue is recognized once conditions have been substantially met or explicitly waived.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses (Continued)

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, and depreciation expenses have been allocated based on square footage.

Advertising

The Foundation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the year ended June 30, 2021, advertising costs totaled \$61,836.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Foundation is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions. There was no unrelated business income for the year ended June 30, 2021.

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, 2021, the Foundation has no uncertain tax provisions 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 31, 2021, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements (Continued)

industry specific guidance and requires expanded disclosures about revenue recognition to enable financial statement users to understand the nature, timing, amount, and uncertainty of revenue and cash flows arising from contracts with customers. On June 3, 2020, FASB issued ASU 2020-05 effectively delaying required implementation of the new revenue recognition standard to annual period beginning after December 31, 2019.

Effective July 1, 2020, the Foundation adopted ASC 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to net assets recognized upon adoption. Therefore, the net assets at the beginning of the year have not been restated and continues to be reported under the accounting standards in effect for that year. The effects of ASC 606 on the financial statements were not material and, as such, no adjustment has been recorded.

Recently Issued 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. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. On June 3, 2020, FASB issued ASU 2020-05 effectively delaying required implementation of the new revenue recognition standard to annual period beginning after December 31, 2021. The Foundation elected not to early adopt the provisions of ASU 2016-02 for the year ended June 30, 2021. The Foundation is currently evaluating the impact of the guidance on its financial statements.

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The amendments in this update apply to Not-for-Profit entities that receive contributed nonfinancial assets. Under the guidance, entities are required to (1) present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and (2) disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statements of activities by category that depicts the type of contributed nonfinancial assets and certain qualitative information. This new guidance is required to be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021. Early adoption is permitted. The Foundation is currently evaluating the impact of the guidance on its financial statements.

Pelican Educational Foundation, Inc.
Notes to Financial Statements

Note 3: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation has \$2,839,075 of financial assets available within one year of the statement of financial position dated June 30, 2021, consisting of cash and cash equivalents of \$2,160,905 and grants and other receivables of \$678,170. Cash of \$31,090 was restricted for specific uses that makes it unavailable for general expenditure within one year of the statement of financial position date. The Foundation has a goal to maintain financial assets, consisting of cash on hand, to meet 30 days of operating expenses. Management estimates 30 days of operating expenses to be \$450,000 and believes it has appropriate available financial resources as of June 30, 2021. As part of its liquidity management, the Foundation maintains cash accounts at a local bank which pays interest on the balances maintained.

Note 4: GRANTS RECEIVABLE

Grants receivable are deemed to be fully collectible by management and were comprised of the following as of June 30, 2021:

Title I – School Improvement Grant	\$ 87,558
ESSER	541,282
School Food Service	31,279
Other grants	18,051
Total grants receivable	\$ 678,170

Note 5: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021, consisted of the following:

Building and improvements	\$ 419,236
Furniture and fixtures	117,207
Office and classroom equipment	149,157
Less: accumulated depreciation	(538,280)
Property and equipment, net	\$ 147,320

Depreciation expense was \$123,421 for the year ended June 30, 2021.

Note 6: 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.

Pelican Educational Foundation, Inc.
Notes to Financial Statements

Note 6: NET ASSETS (Continued)

Net assets with donor restrictions at June 30, 2021 consisted of the following:

	2021
Purpose restricted:	
Student Activities	\$ 24,160
Child Nutrition Program	84,398
Total	\$ 108,558

Note 7: REFUNDABLE ADVANCE: PPP LOAN REVENUE

On May 7, 2020, the Foundation received a loan in the amount of \$589,000 under the Payroll Protection Program (PPP) pursuant to the Coronavirus Aid, Relief and Economic Security (CARES) Act administered by the Small Business Association (SBA). The PPP provides for forgivable loans to qualifying businesses. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll costs, rent and utilities.

As of June 30, 2021, the Foundation has incurred \$589,000 of qualified expenses under this PPP loan and has recognized \$199,705 of PPP loan revenue related to these qualifying expenses for the year ended June 30, 2021.

The Foundation has used the PPP loan funds for its payroll and benefit purposes consistent with the PPP and has obtained forgiveness for the loan in whole from the SBA as of March 2, 2021.

Note 8: RETIREMENT PLAN

Employees of the Foundation are eligible to participate in the defined contribution plan administered by American United Life. The plan is a 403(b) defined contribution plan. Employees are allowed to make contributions during the year subject to limitations imposed by the IRS. The Foundation provides an employer matching contribution of 5% of the employee's salary. The Foundation made contributions during the year ended June 30, 2021 of \$99,923.

Note 9: 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, any remaining paid time off balance from the fiscal year is paid out. At June 30, 2021, there was no unused paid time off and, therefore, no accrual recorded in the statement of financial position.

Note 10: LEASE AGREEMENT

During the year ended June 30, 2021, the Foundation leased a building from the East Baton Rouge Parish School Board for Kenilworth Science and Technology Charter School absent of a lease agreement. The East Baton Rouge Parish School Board 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.

Note 11: 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.

Note 12: SIGNIFICANT CONCENTRATIONS

For the year ended June 30, 2021, the Foundation received approximately 31% of its total revenue from local public school funds, approximately 47% of its total revenue from state public school funds, and approximately 18% of its total revenue from federal programs.

For the year ended June 30, 2021, the Foundation's grant receivables from federal sources accounted for 100% of total receivables.

Note 13: COVID-19 PANDEMIC

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Foundation. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



SUPPLEMENTARY INFORMATION



Pelican Educational Foundation, Inc.

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

For the year ended June 30,

2021

Agency Head Name: Hasan Suzuk, Superintendent

PURPOSE	AMOUNT
Salary	\$ 103,750
Benefits-health insurance	11,224
Benefits-Fica & Medicare	5,211
Benefits-retirement	5,113
Workers comp	-
Deferred compensation	-
Benefits-life insurance	24
Benefits-long term disability	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
Total	\$ 125,322



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, 2021, 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 31, 2021.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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.

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 financial statements. 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 31, 2021



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 COMPLIANCE FOR THE 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 the 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 described in the OMB Compliance Supplement that could have a direct and material effect on the Foundation's major federal program for the year ended June 30, 2021. The Foundation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Foundation's major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

Opinion on the Major Federal Program

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 its major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Metairie, Louisiana
December 31, 2021

Pelican Educational Foundation, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures (\$)
<u>United States Department of Education/Louisiana</u>			
<u>Department of Education</u>			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 349,456
Title I Grants to Local Educational Agencies/Direct Student Services	84.010	N/A	11,643
Title I Grants to Local Educational Agencies/Redesign Planning 1003A	84.010	N/A	64,948
<u>Total Title I Grants to Local Educational Agencies</u>			<u>426,047</u>
Supporting Effective Instruction State Grants	84.367	N/A	30,837
Student Support and Academic Enrichment Program	84.424	N/A	21,744
<u>United States Department of Education/ Special Education Cluster</u>			
Special Education_Grants to States	84.027	N/A	91,624
Special Education - School Redesign Grant	84.027A	N/A	7,730
<u>Total Special Education Cluster</u>			<u>99,354</u>
<u>COVID-19 Education Stabilization Fund</u>			
COVID-19 GEERF	84.425C	N/A	600
COVID-19 ESSERF_Formula	84.425D	N/A	235,159
COVID-19 ESSERF_Incentive	84.425D	N/A	20,578
COVID-19 ESSER_II_Formula	84.425D	N/A	446,801
COVID-19 ESSER_III_Formula	84.425D	N/A	60,139
<u>Total COVID-19 Education Stabilization Fund</u>			<u>763,277</u>
<u>Total Department of Education</u>			<u>1,341,259</u>
<u>United States Department of Agriculture/Direct Program/</u>			
<u>Child Nutrition Cluster</u>			
Summer Food Service Program for Children	10.559	N/A	205,594
Total Expenditures of Federal Awards			\$ 1,546,853

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

Pelican Educational Foundation, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1: GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) presents the revenues from federal awards of Pelican Educational Foundation Inc. (the Foundation) (a nonprofit organization) (d/b/a Kenilworth Science and Technology Charter School) as defined in Note 2 to the Foundation's basic financial statements for the year ended June 30, 2021. All federal financial assistance was received directly from federal agencies is included on the Schedule, as well as federal assistance passed through other government agencies.

Note 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Foundation 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). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. 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 are reported in the Foundation's basic financial statements as program revenues.

Note 4: LOAN

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

Note 5: FEDERALLY FUNDED INSURANCE

The Foundation has no federally funded insurance.

Note 6: NONCASH ASSISTANCE

The Foundation received federal noncash assistance for the fiscal year ended June 30, 2021 for USDA donated commodities in the amount of \$15,712.

Pelican Educational Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(es) identified? ___ yes X none noted

Noncompliance material to financial statements noted? ___ yes X none noted

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(es) identified? ___ yes X 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)? ___ yes X none noted

Identification of major federal programs:

Federal CFDA Number	Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.425	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 X no

Pelican Educational Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings noted related to the financial statements for the year ended June 30, 2021.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings noted related to compliance and other matters for the year ended June 30, 2021.

D. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings noted related to findings and questioned costs related to major federal award programs for the year ended June 30, 2021.

E. MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2021.

Pelican Educational Foundation, Inc.
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings noted related to the financial statements for the year ended June 30, 2020.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were no findings noted related to compliance and other matters for the year ended June 30, 2020.

D. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings noted related to findings and questioned costs related to major federal award programs for the year ended June 30, 2020.

E. MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2020.



Pelican Educational Foundation, Inc.

BESE Agreed-Upon Procedures Report

June 30, 2021

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, 2021; 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 noted in performing this procedure.

Class Size Characteristics (Schedule 2)

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

Results: No exceptions noted in performing this procedure.

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

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

Results: Exceptions noted; all twenty-five (25) individuals' experience level was incorrectly reported on the October 1, 2020 PEP data.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We will obtain June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Results: No exceptions noted in performing this procedure.

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

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

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

Cau, Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 31, 2021

Pelican Education Foundation, Inc.
Schedule 1 – General Fund Instructional and Support
Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2021

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	1,541,519	
Other instructional staff activities	108,393	
Instructional Staff Employee benefits	444,108	
Purchased professional and technical services	11,736	
Instructional materials and supplies	133,966	
Less instructional equipment	-	
Total teacher and student interaction activities	-	2,239,722

Other instructional activities	1,233
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Pupil support activities	115,125	
Less equipment for pupil support activities	-	
Net pupil support activities	-	115,125

Instructional Staff Services	169,062	
Less equipment for instructional staff services	-	
Net instructional staff services	-	169,062

School Administration	526,363	
Less: Equipment for School Administration	-	
Net School Administration	-	526,363

Total general fund instructional expenditures	-	\$ 3,051,505
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* Remainder of the BESE Schedule 1 does not apply to the School.

Pelican Education Foundation, Inc.
 Schedule 2 – Class Size Characteristics
 For the Year Ended June 30, 2021

AS OF OCTOBER 1, 2020

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	42%	62	8%	12	15%	22	35%	52
Middle/Jr. High Activity Classes	75%	9	8%	1	17%	2	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-



December 31, 2021

Louisiana Legislative Auditor
1600 North 3rd 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. Pelican Educational Foundation will also acquire new HR Management software that is compatible with Louisiana Department of Education's data systems for accurate data submission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hasan', is written over a light blue rectangular background.

Hasan Suzuk
Executive Director