



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**LEGACY OF EXCELLENCE, INC.**

**AUDITED FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

## TABLE OF CONTENTS

	PAGE NO.
<b>Independent Auditor’s Report</b>	1-3
<b>Financial Statements:</b>	
Statement of Financial Position as of June 30, 2024	4
Statement of Activities for the Fiscal Year Ended June 30, 2024	5
Statement of Functional Expenses for the Fiscal Year Ended June 30, 2024	6
Statement of Cash Flows for the Fiscal Year Ended June 30, 2024	7
<b>Notes to the Financial Statements</b>	8-18
<b>Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	19-20
<b>Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance</b>	21-23
<b>Schedule of Findings and Questioned Costs</b>	24-25
<b>Status of Prior Year Findings and Questioned Costs</b>	26
<b>Supplementary Information:</b>	
Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2024	27
Notes to the Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2024	28
Schedule of Compensation, Benefits, And Other Payments to Agency Head or Chief Executive Officer For the Fiscal Year Ended June 30, 2024	29
<b>Independent Accountant’s Report on Applying Agreed-Upon Procedures – Performance and Statistical Data</b>	30-32
<b>Schedules Required by State Law</b>	33
<b>Schedule 1 - General Fund Instructional And Support Expenditures And Certain Local Revenue Sources</b>	34
<b>Schedule 2 - Class Size Characteristics</b>	35



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Legacy of Excellence, Inc.  
New Orleans, Louisiana

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

#### ***Opinion***

We have audited the accompanying financial statements of Legacy of Excellence, Inc. (LoE) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of LoE as of June 30, 2024, and the changes in its net assets and its 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LoE 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 opinions.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 LoE'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, which raise substantial doubt about LoE'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 to agency head is presented to comply with Act 706 of the 2014 Louisiana Legislative Session and is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of LoE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LoE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LoE's internal control over financial reporting and compliance.

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
November 18, 2024

**Legacy of Excellence, Inc.**  
**Statement of Financial Position**  
**As of June 30, 2024**

ASSETS	
Cash	\$ 3,837,044
Cash Restricted for Student Activities	41,085
Investments- LAMP Funds	6,049,848
Government Grants Receivable	5,998,136
Other Assets	121,130
Fixed Assets, Net	1,009,518
Right-of-Use Asset - Finance Lease, Net	70,839
TOTAL ASSETS	<u>17,127,600</u>
LIABILITIES	
Accounts Payable	477,779
Accrued Payroll	845,473
Accrued Expenses	694,819
Lease Liability - Finance Lease	66,525
TOTAL LIABILITIES	<u>2,084,596</u>
NET ASSETS	
Without Donor Restrictions	14,992,112
With Donor Restrictions	50,892
TOTAL NET ASSETS	<u>15,043,004</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,127,600</u>

The accompanying notes are an integral part of these financial statements.

**Legacy of Excellence, Inc.**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2024**

	Without <u>Donor Restrictions</u>	With <u>Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Local Sources:			
Minimum Foundation Program (MFP)	\$ 5,852,379	\$ -	\$ 5,852,379
Program Income, Earned Fees & Student Activity Fees	78,497	79,021	157,518
Interest Income	66,248	-	66,248
Investment Income	49,847	-	49,847
Other Income	6,232	-	6,232
Total Local Sources	<u>6,053,203</u>	<u>79,021</u>	<u>6,132,224</u>
State Sources:			
Minimum Foundation Program (MFP)	3,663,200	-	3,663,200
Other State Grants & Funding	149,573	-	149,573
Total State Sources	<u>3,812,773</u>	<u>-</u>	<u>3,812,773</u>
Federal Grants:			
ESSER-Formular II & III Income	9,007,052	-	9,007,052
Title I, II & III Income	848,206	-	848,206
			-
Total Federal Grants	<u>9,855,258</u>	<u>-</u>	<u>9,855,258</u>
Released From Restrictions (Note 16)	<u>70,378</u>	<u>(70,378)</u>	<u>-</u>
Total Support	<u>19,791,612</u>	<u>8,643</u>	<u>19,800,255</u>
 TOTAL SUPPORT AND REVENUE	 <u>19,791,612</u>	 <u>8,643</u>	 <u>19,800,255</u>
 EXPENSES			
Program Services	7,547,236	-	7,547,236
Management and General	7,075,267	-	7,075,267
TOTAL EXPENSES	<u>14,622,503</u>	<u>-</u>	<u>14,622,503</u>
Change in Net Assets	5,169,109	8,643	5,177,752
NET ASSETS, BEGINNING OF YEAR	<u>9,823,003</u>	<u>42,249</u>	<u>9,865,252</u>
NET ASSETS, END OF YEAR	<u><u>\$ 14,992,112</u></u>	<u><u>\$ 50,892</u></u>	<u><u>\$ 15,043,004</u></u>

The accompanying notes are an integral part of these financial statements.

**Legacy of Excellence, Inc.**  
**Statement of Functional Expenses**  
**For the Fiscal Year Ended June 30, 2024**

	PROGRAM SERVICES	SUPPORTING SERVICES	
	Instruction	Management and General	Total
Salaries and Wages	\$ 5,045,452	\$ 1,661,613	\$ 6,707,065
Payroll Taxes	88,696	29,251	117,947
Other Employee Benefits (Fringes)	1,457,427	849,806	2,307,233
Purchased Professional & Technical Services	182,962	578,208	761,170
Program Service Expenses	543,101	-	543,101
Utilities	-	331,572	331,572
Supplies & Consumables	91,780	33,439	125,219
Travel	-	22,294	22,294
Authorizer Fees	-	600,058	600,058
Special Events & Awareness	67,440	-	67,440
Dues, Fees & Charges	-	64,589	64,589
Maintenance - Direct & Not Capitalized	-	638,546	638,546
Insurance	-	79,073	79,073
Student Transportation Services	-	1,428,876	1,428,876
Student Activity Fund Expense	70,378	-	70,378
Amortization & Interest Expense	-	20,699	20,699
Bad Debt Expense	-	110,009	110,009
Lease Expense	-	213,714	213,714
Total Expenses			
Before Depreciation	7,547,236	6,661,747	14,208,983
Depreciation	-	413,520	413,520
Total Expenses	<u>\$ 7,547,236</u>	<u>\$ 7,075,267</u>	<u>\$ 14,622,503</u>

The accompanying notes are an integral part of these financial statements.



**Legacy of Excellence, Inc.**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2024**

**Cash Flows from Operating Activities**

Change in Net Assets	\$ 5,177,752
Adjustments to Reconcile Change in Net Assets to	
Net Cash (Used) Provided by Operating Activities:	
Depreciation	413,520
Amortization of Right-of-Use Asset - Finance Lease	12,094
Net Changes in Assets and Liabilities:	
Decrease in Grant Receivables	1,218,086
Increase in Other Assets	(12,972)
Decrease in Accounts Payable	(298,699)
Decrease in Accrued Expenses	(70,417)
Increase in Payroll Liabilities	845,473
Increase in Finance Lease Obligations for Interest Payments	1,564
Total Adjustments	<u>2,108,649</u>
Net Cash Provided by Operating Activities	<u>7,286,401</u>

**Cash Flows from Investing Activities**

Purchases of Investments	(6,049,848)
Purchases of Fixed Assets	(549,169)
Net Cash Used by Investing Activities	<u>(6,599,017)</u>

**Cash Flows from Financing Activities**

Repayment of Finance Lease Obligations	(17,972)
Net Cash Used by Financing Activities	<u>(17,972)</u>
Net Change in Cash and Cash Equivalents	<u>669,412</u>

**Cash and Cash Equivalents - Beginning of Period**

3,208,717

**Cash and Cash Equivalents - End of Period**

\$ 3,878,129

**NON-CASH TRANSACTIONS**

Right-of-Use Assets - Finance Leases	\$ 70,839
Lease Liability - Finance Leases	(66,525)

The accompanying notes are an integral part of these financial statements.

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1 – ORGANIZATION**

Legacy of Excellence, Inc. (LoE) was awarded a Type 3 charter by NOLA Public Schools (formerly Orleans Parish School Board) in 2018 to operate Benjamin Franklin Math and Science Elementary School. The charter for LoE was approved for an initial five (5) year period that commenced on July 1, 2018 and expiring on June 30, 2023 and subject to renewal following the end of the initial operating period. LoE is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. LoE's vision is to accelerate the learning of all students through data driven inquiry, reflective teaching and powerful learning. The mission of LoE is to educate children to excel academically and individually. During the 2023-2024 school year, LoE provided educational services to students in pre-kindergarten through eighth grade, with a total enrollment at LoE of 1,032.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958, which established standards for external financial reporting by not-for-profit organizations, LoE classifies resources for accounting and reporting purposes into two net asset categories which are with donor restrictions and without donor restrictions. A description of these two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of LoE are included in this category. LoE has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of LoE and therefore, their policy is to record those net assets as without donor restrictions.
- Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation (continued)

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

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor's conditions.

A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Unconditional contributions, or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as revenue with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional contributions are recognized when the barriers to entitlement are overcome and the promises become unconditional. Unconditional contributions are recognized as revenue when received. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Revenues from governmental grants are recognized when allowable expenditures are made by LoE. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

Revenue and Support

Grants and contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the LoE considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents. LoE had no cash equivalents at June 30, 2024

Uncollectible Accounts, Grants Receivable, and Promises to Give

LoE uses the direct charge-off method whereby uncollectible accounts are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP, and it approximates the valuation method.

Fixed Assets

Fixed assets of LoE are recorded as assets (capitalized) and are stated at historical costs if purchased or at fair market value at the date of the gift, if donated. LoE follows the policy of capitalizing all individual fixed assets purchased or donated greater than \$5,000 or if acquired through a bulk purchase or donation greater than \$10,000, in aggregate. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation is provided utilizing the straight-line method over the estimated useful life of the asset, generally 3 to 30 years for improvements and for other property and equipment.

The following is the estimated useful lives of the capitalized assets:

Computers	3 years
Office Equipment	5 years
Vehicles	5 years
Office Furniture	7 years
Leasehold Improvements	Greater of Life of lease or 5 years
Building Improvements	20 years
Building	30 years

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Donated Assets and Services

Land, buildings and equipment received as donations are recognized and recorded in the accompanying financial statements as contributions at their estimated fair market value at the date they are received. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

Concentration of Credit

LoE maintains cash accounts with various financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures deposits up to \$250,000 per depositor, per FDIC-insured bank, and per ownership category. LoE uses IntraFi Cash Service that allows customers to access FDIC insurance for large deposits by spreading them across multiple banks. When a customer deposits more than the standard FDIC-insured limit, the excess is sent to other banks in the IntraFi network and held in an FDIC-insured account. At June 30, 2024, LoE had no uninsured balances.

Minimum Foundation Program (MFP)

Louisiana State law requires that LoE receive a per pupil amount (MFP Funds) from NOLA Public Schools on an annual basis. LoE pays NOLA Public Schools an administrative fee of 5% of the MFP funds for the fiscal year (see NOTE 18).

Income Taxes

LoE is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Services as other than a private foundation. LoE's Form 990, *Return of Organization Exempt from Income Tax* are subject to examination by the IRS, generally for three years after they were filed.

Leases

LoE determines if a contract contains a lease when the contract conveys the right to control the use of identified assets for a period in exchange for consideration. Upon identification and commencement of a lease, LoE establishes a right-of-use (ROU) asset and a lease liability. Operating leases, if any, are included in ROU Asset - Operating Lease and Operating Lease Liability on the accompanying statement of financial position. Finance leases, if any, are included in Lease Liability- Finance Lease.

The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal options that LoE is reasonably certain to exercise as well as any period that LoE has control over the asset before the stated initial term of the agreement. If LoE determines a reasonable certainty of exercising termination or early buyout options, then the lease terms are adjusted to account for these facts. LoE's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

LoE uses the risk-free rate as the discount rate for all classes of underlying assets when the interest rate is not implicitly or explicitly stated in the lease agreement at commencement date. LoE does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

**Recent Accounting Pronouncements**

In 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (Topic 842), which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases with terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after March 15, 2020, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) that extended the effective date for certain entities, including LoE, to annual periods beginning after December 15, 2021. During the year ended June 30, 2024, LoE adopted ASU No. 2016-02. See Note 10 for the required disclosures.

**NOTE 3 – FIXED ASSETS**

A summary of fixed assets are as follows:

Furnitures & Fixtures	\$ 217,513
Equipment	1,378,527
Leasehold Improvements	507,979
Software	134,014
	<hr/> 2,238,033
Accumulated Depreciation	<hr/> (1,228,515)
Net Book Value	<hr/> <hr/> \$ 1,009,518

Depreciation expense for the fiscal year ended June 30, 2024, was \$413,520.

**NOTE 4 – GOVERNMENT GRANTS RECEIVABLE**

LoE receives funding from state and local authorities, including federally funded programs. Funding owed to LoE that is yet to be received are recorded as a receivable at year-end.

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 4 – GOVERNMENT GRANTS RECEIVABLE (CONTINUED)**

At June 30, 2024, grants receivable was comprised of the following:

Title I	\$ 271,601
Title II	1,000
Title IV	30,728
Other	71,821
ESSER 3 Formula	5,622,986
	<u>\$ 5,998,136</u>

**NOTE 5 – INVESTMENTS**

Effective in the current fiscal year, LoE became a participant in the Louisiana Asset Management Pooled funds, administered by the Louisiana Asset Management Pool, Inc, a custodial funds management not-for-profit corporation designed to help large institutional investors benefit from reduced costs in fund management.

Fair value of investment securities at June 30, 2024, consists of the following:

	<b><u>Fair Value</u></b>
Investments- LAMP Funds	\$6,049,848
Totals	<u>\$6,049,848</u>

The income earned year-to-date for the same period was \$49,847 with an average monthly yield of 5.27%.

**NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted using different methods. Salaries and fringe benefits are allocated between the different programs based on an analysis of the cost/benefit to each fund or function. Allowable program direct costs that can be identified to more than one program will be prorated individually as program direct costs using the ratio of actual program/client enrollment to total enrollment/clients served in all programs. Allowable administrative direct costs that can be identified to more than one program/grant will be prorated individually as administrative direct costs using the ratio of program number of employees to total number of all employees.

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSES (CONTINUED)**

Allowable occupancy costs such as rent, utilities, telephone, internet, maintenance and repair, and insurance that can be identified to more than one program/grant will be prorated individually as occupancy direct costs using the ratio of program square footage to total square footage.

**NOTE 7 - STUDENT ACTIVITY FUNDS**

LoE maintains a separate bank account for student activities. The amounts in this account are collected for various activities from students and parents and are restricted for their collected purpose. Restricted school activity funds totaled \$41,085 at June 30, 2024.

**NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$ 3,878,129
Government Grants Receivable	5,998,136
Investments- LAMP Funds	<u>6,049,848</u>
Total Financial Assets	15,926,113
Less: Net Assets With Donor Restrictions	<u>(50,892)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 15,875,221</u></u>

**NOTE 9 – FINANCE LEASE**

During the fiscal year ended June 30, 2024, LoE adopted ASC 842, *Leases*, which requires an organization to record a lease asset and liability based upon its lease agreements. LoE has a lease-purchase agreement with BGE Financial Corporation to lease student instructional musical instruments for a period of 5 years, commencing December 21, 2023. The lease, which includes a purchase option of \$1 at the end of the term is a finance lease. Accordingly, LoE recorded a lease asset and liability for the remaining lease term. The end of the lease is January 1, 2029. To calculate the lease liability and the lease asset for the remaining term of the lease, LoE used a discount rate of 3.93%, which is the weighted average of the stated U.S. Treasury Rate, and then calculated the present value of future lease payments. Each year, the assets and liability are reduced based upon the actual payments and a calculated amortization schedule.



**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9 – FINANCE LEASE (CONTINUED)**

Total rent expense for the year in relation to the student instructional musical instruments was \$17,286 and is included in lease expense on the statement of functional expenses. In addition to the rent expense, LoE is also required to make an annual variable lease payment of \$1,755 to BGE Financial Corporation towards the insurance premium of the leased musical equipment.

Supplemental information related to the lease is as follows:

***Finance Leases***

Right-of-Use Asset - Finance Leases	\$ 82,933
Accumulated Amortization	<u>(12,094)</u>
Right-of-Use Asset - Finance Leases, net	<u>\$ 70,839</u>
Current Portion of Finance Lease Obligation	\$ 15,665
Finance Lease Obligation, Less Current Portion	<u>50,860</u>
Total Finance Lease Obligations	<u>\$ 66,525</u>

***Other Information***

Weighted-Average Remaining Lease Term in Years	3.50
Weighted-Average Discount Rate	3.93%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liability recognized on the balance sheet are as follows as of June 30, 2024:

Year Ending June 30,	Lease Payments
2025	\$17,972
2026	17,972
2027	17,972
2028	17,972
2029	-
Thereafter	<u>-</u>
Total Future Minimum Lease Payments	71,888
Less Imputed Interest	<u>(5,363)</u>
Total Present Value of Lease Liabilities	<u>\$66,525</u>

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 10 – FACILITY LEASES**

LoE also entered into 2 facility leases with the NOLA Public Schools to lease school property owned by NOLA Public Schools for purposes of LoE operating a charter school. The terms of the facility leases both commenced on July 1, 2018 and originally terminated on June 30, 2023. On June 12, 2023, both parties extended the term of the leases in accordance with the facility lease agreements to June 30, 2028 with a renewal clause for an additional one year with sufficient notice secured.

In consideration of the use of NOLA Public Schools' school property, LoE agreed to pay NOLA Public Schools a use fee based on a formula to compute NOLA Public Schools' per pupil unit cost, as defined in section 4.1.2 of the facility lease agreements.

LoE is responsible for the maintenance costs of the leased property and for property repairs costing \$10,000 or less. NOLA Public Schools is responsible for repairs in excess of \$10,000 that are not caused by the negligence of LoE. Any facility alterations to the lease property must be approved by NOLA Public Schools. Total expenses incurred related to these leases for June 30, 2024 were \$196,428 and are included in lease expense on the statement of functional expenses.

**NOTE 11 – RETIREMENT PLAN**

Employees of LoE who meet minimum service requirements are eligible to participate in the Teachers' Retirement System of Louisiana (TRSL) (The Plan). The Plan is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. TRSL provides financial reports that are available to the general public, including accompanying required supplementary information. Information regarding the plan as well as the financial report may be obtained through a written request to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Participants are required to contribute 8% of the annual covered payroll to the plan. For the year ended June 30, 2024, LoE is required to contribute 24.1% of its annual covered payroll of each participating employee. These contribution levels are established by relevant laws and regulations, and specifically set forth by the Public Retirement Systems Actuarial Committee.

Participants vest immediately in employee contributions to the plan while the relevant retirement benefits vest after five years of service provided the employee has reached the age of sixty; otherwise, the benefits vest after twenty years of service provided. Allowed benefits are subject to and established by relevant state statute and participants are provided with eight diverse types of retirement payment options to choose from. For the year ended June 30, 2024, LoE contributions to the plan totaled \$314,521 and are included in other employee benefits (fringes) on the statement of functional expenses.

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 12 – FEDERAL, STATE & LOCAL COMPLIANCE CONTINGENCIES**

LoE receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

**NOTE 13 - BOARD OF DIRECTORS' COMPENSATION**

The Board of Directors of LoE is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 2024.

**NOTE 14 - RISK MANAGEMENT**

In the routine course of LoE's activities, it is exposed to certain risks of loss related to vandalism, destruction of property, theft, and other related incidents. Accordingly, it maintains commercial liability insurance coverage. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

**NOTE 15 - REVENUE CONCENTRATION**

Funding sources derived from both State and local Minimum Foundation Program, (MFP) account for 48% of LoE's total support for the year ended June 30, 2024. Cost reimbursement Federal and State grants account for 51% of LoE's total support for the year ended June 30, 2024.

Operating results could be adversely affected should the amounts received from these revenue sources significantly decline or fall below budgeted award levels.

**NOTE 16 - NET ASSETS WITH DONOR RESTRICTIONS**

LoE is required to maintain Net assets with donor restrictions for their student activities. The amount restricted for such use for student activities at June 30, 2024 was \$50,892. Net assets with donor restrictions in the amount of \$70,378 were released from restrictions by incurring expenses satisfying the student activity restrictions specified by donors at June 30, 2024.

**NOTE 17 – IN-KIND CONTRIBUTIONS**

LoE also receives donated services from a number of unpaid volunteers assisting LoE with its programs, activities, and operations.

**LEGACY OF EXCELLENCE, INC.**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 17 – IN-KIND CONTRIBUTIONS (CONTINUED)**

An estimated value of these services cannot be reasonably determined as a result of the variety of services provided by the varying qualifications of the volunteers. Because the criteria for recognition under FASB ASC Section 958-605 have not been satisfied, these donated services have not been recorded in the financial statements.

**NOTE 18 – NOLA PUBLIC SCHOOLS AUTHORIZER FEE (EXPENSE)**

As described in Note 2, Louisiana State law requires that LoE remits a 5% administrative fee. The aggregate administrative fee for the year ended June 30, 2024 is \$600,058 and represents the summation of the LEA authorizer fee and MFP administrative fee at \$431,455 and \$168,603, respectively.

**NOTE 19 – SUBSEQUENT EVENTS**

Management evaluated subsequent events as of November 18, 2024, which is the date these financial statements were available to be issued. Management noted that there were no additional disclosures or adjustments required to these financial statements.



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

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

To the Board of Directors of  
Legacy of Excellence, Inc.  
New Orleans, 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 Legacy of Excellence, Inc. (LoE) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the LoE's financial statements are free from material misstatements, 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 LoE'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 LoE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
November 18, 2024



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

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

To the Board of Directors of  
Legacy of Excellence, Inc.  
New Orleans, Louisiana

**Report on Compliance for Major Federal Program**

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

We have audited Legacy of Excellence, Inc.'s (LoE) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on LoE's major federal program for the year ended June 30, 2024. LoE's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, LoE complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Major Federal Program***

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

We are required to be independent of LoE 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 LoE'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 LoE's federal programs.

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### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the LoE'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 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 LoE'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 LoE'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 LoE'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 LoE's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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



*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
November 18, 2024

**LEGACY OF EXCELLENCE, INC.**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**PART I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

An unmodified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified?                    ☐ yes   ☒ no

Significant deficiencies identified  
not considered to be material weaknesses?   ☐ yes   ☒ no

Noncompliance material to financial statements noted?   ☐ yes   ☒ no

**Federal Awards**

Internal control over major programs:

Material weakness (es) identified?                    ☐ yes   ☒ no

Significant deficiency(s) identified  
not considered to be material weaknesses?   ☐ yes   ☒ no

An unmodified opinion was issued on compliance.

Any audit findings disclosed that are required to be  
reported in accordance with the Uniform  
Guidance?

☐ yes   ☒ no

The major programs for the year ended June 30, 2024 were as follows:

1. Title I, Part A – Assistance Listing # 84.010A
2. Elementary and Secondary School Emergency Relief– Assistance Listing # 84.425D and \$84.425U

Dollar threshold used to distinguish between Type A and  
Type B programs:

\$750,000

Auditee qualified as a low-risk auditee.

**LEGACY OF EXCELLENCE, INC.**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**PART II – FINANCIAL STATEMENT FINDINGS**

We noted no findings during the year ended June 30, 2024.

**LEGACY OF EXCELLENCE, INC.**  
**Status of Prior Year Findings and Questioned Costs**  
**June 30, 2024**

**PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no findings noted by the predecessor auditor during the year ended June 30, 2023.

**Legacy of Excellence, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2024**

<b>Grantor/State Pass-through/ Program name Location of Project</b>	<b>AL Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Education</b>		
<i>Awards from a Pass-Through Entity</i>		
Passed-Through: LA State Department of Education		
Title I, Part A	84.010A	\$ 816,443
Title II, Part A	84.367A	1,000
Title IVA, SSAE	84.424A	30,728
ESSER II Formula I	84.425D	2,517
ESSER III EBI	84.425D	60,706
ESSER III Formula	84.425U	8,940,140
Total LA State Department of Education		\$ 9,851,534
<b>Total U.S. Department of Education</b>		<u>9,851,534</u>
<b>Total Federal Expenditures</b>		<u><u>\$ 9,851,534</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

**LEGACY OF EXCELLENCE, INC.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2024**

**NOTE 1 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of LoE and is presented on the accrual basis of accounting. The information in this schedule is presented 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.

**NOTE 2 – DE MINIMIS COST RATE**

LoE has not elected to use the ten percent (10%) de minimis cost rate allowed under the Uniform Guidance.

**NOTE 3 – LOAN AND LOAN GUARANTEES**

LoE did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2024. LoE had no loans outstanding at the year ended June 30, 2024.

**NOTE 4 – FEDERALLY FUNDED INSURANCE**

LoE has no federally funded insurance.

**NOTE 5 – NONCASH ASSISTANCE**

LoE did not receive federal noncash assistance for the year ended June 30, 2024.

**Legacy of Excellence, Inc.**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Fiscal Year Ended June 30, 2024**

**Agency Head Name and Title:** Dr. Jeremy Brooks, CEO

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 135,000
Benefits-FICA	-
Benefits- Insurance	6,729
Benefits-Retirement	-
Benefits-Stipends	2,000
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
<b>Total</b>	<b>\$ 143,729</b>



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES - PERFORMANCE AND STATISTICAL DATA**

To the Board of Directors of Legacy of Excellence, Inc.,  
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 Legacy of Excellence, Inc. ("the School") for the fiscal year ended June 30, 2024; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

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**Findings:** Based upon our examination of the supporting documentation, we noted no exceptions in our sample.

### **Class Size Characteristics (Schedule II)**

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

**Findings:** Based upon our examination of the supporting documents, we noted exceptions on roll books for eight (8) out of the ten (10) classes in our sample.

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

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

**Findings:** Based upon our examination of the supporting documents, we noted no exceptions in our sample.

### **Public School Staff Data: Average Salaries (NO SCHEDULE)**

4. We obtained 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 obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

**Findings:** Based upon our examination of the supporting documents, we noted exceptions on salaries for three (3) out of the twenty-five (25) employees in our sample.

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

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School, 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.

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
November 18, 2024

**Legacy of Excellence, Inc.**  
**New Orleans, Louisiana**  
**Schedules Required by State Law**  
**(R.S. 24:514 – Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2024**

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

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

**Schedule 2 (Formerly Schedule 6) Class Size Characteristics**

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

**LEGACY OF EXCELLENCE, INC.**  
**New Orleans, Louisiana**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2024**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,208,823	
Other Instructional Staff Activities	1,342,535	
Instructional Staff Employee Benefits	664,621	
Purchased Professional and Technical Services	-	
Instructional Materials and Supplies	332,828	
Instructional Equipment	<u>3,849</u>	
Total Teacher and Student Interaction Activities		\$ 3,552,656

Other Instructional Activities		6,221
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Pupil Support Services	257,245	
Less: Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		257,245

Instructional Staff Services	338,195	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		338,195

School Administration	814,063	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>814,063</u>

Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 4,968,380</u>
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Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u><u>3,849</u></u>
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**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	<u>-</u>
Total Local Taxation Revenue	<u><u>-</u></u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	-
Earnings from Other Real Property	<u>-</u>
Total Local Earnings on Investment in Real Property	<u><u>-</u></u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	-
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	<u>-</u>
Total State Revenue in Lieu of Taxes	<u><u>-</u></u>

Nonpublic Textbook Revenue	<u>-</u>
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Nonpublic Transportation Revenue	<u><u>\$ -</u></u>
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See independent accountant's report on applying agreed-upon procedures

**LEGACY OF EXCELLENCE, INC.**  
**New Orleans, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2023**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	17%	26	54%	83	30%	46	0	0
Elementary Activity Classes	10%	1	50%	5	40	4	0	0
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

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



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**LEGACY OF EXCELLENCE, INC.**

**AGREED-UPON PROCEDURES REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

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

To the Board of Directors of  
Legacy of Excellence, Inc.  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. Legacy of Excellence, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

***Results:*** *The written policies and procedures appropriately address the required elements above.*

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- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*Results: The written policies and procedures appropriately address the required elements above.*

- c) **Disbursements**, including processing, reviewing, and approving

*Results: The written policies and procedures appropriately address the required elements above.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*Results: The written policies and procedures appropriately address the required elements above.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*Results: The written policies and procedures appropriately address the required elements above.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*Results: The written policies and procedures appropriately address the required elements above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

*Results: The written policies and procedures appropriately address the required elements above.*



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

**Results:** *The written policies and procedures appropriately address the above elements except for allowable expenses and dollar thresholds by category of expense.*

**Management's Response:** *Management will update its travel and reimbursement policies to include allowable expenses and dollar thresholds.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

**Results:** *Not applicable to the Entity.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results:** *Not applicable to the Entity.*

- k) **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:** *The written policies and procedures appropriately address the required elements above.*

- l) **Sexual Harassment**, including R.S.42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** *Not applicable to the Entity.*

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

***Results:*** *The Board held monthly meetings during fiscal year 2024. No exceptions noted.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

***Results:*** *The Entity is a private non-profit and is not on the governmental accounting model as it relates to the general fund. However, financial statements are presented at the board meetings which include budget to actual comparisons.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

***Results:*** *Not applicable, as the Entity is a non-profit.*

- d) 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:*** *Not applicable, as there were no findings in the prior year.*

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly

select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

**Results:** *List of bank accounts and management's representation were obtained. We selected the month of June 2024 for the testing below.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

**Results:** *We noted that the Entity has five bank accounts. Each reconciliation included evidence of being prepared within 2 months of the closing date. No exceptions noted.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**Results:** *We noted that each reconciliation was reviewed by a member of management who does not handle cash, post ledgers, or issue checks. No exceptions noted.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** *We noted no reconciling items were outstanding for more than 12 months from the statement closing date. No exceptions noted.*

- d) Review completed within 1 month of the date the reconciliation was prepared.

**Results:** *We noted each bank reconciliation showed evidence of being reviewed within 1 month of the date the reconciliation was prepared. No exceptions noted.*

### ***Collections***

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

**Results:** *LSC noted that any funds received in person or via postal service are received at the administration office located at 1116 Jefferson Ave, New Orleans, LA 70115.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each

deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Results:** *We have obtained and inspected written policies and procedures relating to employee job duties at the collection location and observed that the job duties are properly segregated. No exceptions noted.*

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

**Results:** *The Entity provided a copy of a crime insurance policy that was enforced during the fiscal period.*

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

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe 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).

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

*Results: We performed the required procedures above. No exceptions noted.*

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

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

*Results: Any funds received in person or via postal service are received at the admin office located at 1116 Jefferson Ave, New Orleans, LA 70115.*

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

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

*Results: We have obtained a listing of the employees involved and the written policies and procedures relating to employee job duties at the location mentioned above and observed that the job duties are properly segregated. All disbursements must receive approval before payment, and as the dollar threshold increases, they require additional approvals.*

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

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** *We noted the original invoice/billing, and all the supportive information matched, including evidence of segregation of duties with no exceptions.*

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

**Results:** *We observed 5 randomly selected non-payroll electronic disbursements and noted no exceptions.*

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

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

**Results:** *We obtained a listing of all active cards, which consisted of only one credit card, and management's representation that the listing is complete.*

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

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

**Results:** *There is evidence showing the statement was reviewed and approved by someone other than the authorized card holder. We noted no exceptions.*

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

**Results:** *There is evidence showing that the statements were reviewed and approved. Finance charges and late fees were not assessed on their credit card.*

- 14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (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 note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results:** *We selected the required number of transactions from the credit card and obtained supporting documentation. Each transaction was supported by an itemized receipt and documentation of the business purpose. None of the selected transactions were for meal charges. We noted no exceptions.*

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

- 15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Results:** *The selected reimbursements were not paid using a per diem.*

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

**Results:** *Reimbursements using actual costs were supported by the original itemized receipts. No exceptions noted.*

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

***Results:** Each reimbursement was supported by documentation detailing the business/public purchase for the charge. No exceptions noted.*

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

***Results:** Each reimbursement was reviewed and approved by someone other than the person receiving the reimbursement. No exceptions noted.*

## ***Contracts***

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- 16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

***Results:** We selected the following contracts for testing: XS Martial Arts, Priority Systems, T.S. Technology, Sonitrol, and Roofing Solutions.*

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

***Results:** We noted that all contracts selected were bid in accordance with Louisiana Public Bid Law.*

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

***Results:** We noted that each contract was approved by the Entity and its Management Company.*

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).



**Results:** *We noted that all amendments were reviewed and approved by management in compliance with the contract terms.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** *We tested one payment for each contract regarding the procedure above. We noted no exceptions.*

### ***Payroll and Personnel***

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- 17. 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:** *We requested and obtained paid salaries and personnel files for a selection of five (5) employees. The paid salaries agreed to the authorized salaries in each employee's personnel file. We noted no exceptions.*

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

**Results:** *We observed that each employee selected documented their daily attendance and leave. No exceptions noted.*

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

**Results:** *We noted the Entity's policy requires all leave time be input into the accompanying timesheet for the pay period. All timesheets were approved by supervisors. No exceptions noted.*

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Results:** *We observed the leave records provided by the Entity for the employees selected. We noted no exceptions.*

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** *The rate paid to the selected employees agrees to the authorized salary found within the personnel files. We noted no exceptions.*

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

**Results:** *We randomly selected two employees that received termination payments during the fiscal year. We agreed the hours worked and accumulated leave to the employees' pay rate. We noted no exceptions.*

20. 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 noted regarding this requirement.*

### **Ethics**

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**Results:** *Not applicable as the Entity is a non-profit.*

### **Debt Service**

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**Results:** *Not applicable as the Entity is a non-profit.*

### **Fraud Notice**

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

*Results: Not applicable as the Entity confirmed there was no misappropriation of public funds during the fiscal period.*

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

*Results: The required notice above is posted on the Entity's website. No exceptions noted.*

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

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

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

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

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

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

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

- e) Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

***Results:** We were unable to observe documentation confirming that each employee selected completed cybersecurity training as required.*

***Management's Response:** The employees above did not attend cybersecurity training in the school year 2023-2024. Cybersecurity training will be part of staff training in the school year 2024-2025.*

### ***Sexual Harassment***

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***Results:** Not applicable as the Entity is a non-profit.*

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

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

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

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
November 18, 2024