

SUNSET FRENCH IMMERSION SCHOOL, INC
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Financial Report

Year Ended June 30, 2025

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OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Sunset French Immersion School, Inc.
d/b/a Ecole Saint-Landry School and Affiliate
Sunset, Louisiana

Opinion

We have audited the accompanying combined financial statements of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and Affiliate (a nonprofit organization), which comprise the combined statement of financial position as of June 30, 2025, and the related combined statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and Affiliate as of June 30, 2025, and the changes in their combined net assets and their combined 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 combined financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and Affiliate's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a

guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and Affiliate'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 combined financial statements as a whole. The combining statement of financial position, combining statement of activities, combining statement of functional expenses, schedules of the governing boards, schedule of insurance in force, and schedule of compensation, benefits, and other payments paid to an agency head are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedules of the governing boards, schedule of insurance in force, and schedule of compensation, benefits, and other payments paid to an agency head are fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 29, 2025

**COMBINED
FINANCIAL STATEMENTS**

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE

Combined Statement of Financial Position
June 30, 2025

ASSETS

CURRENT ASSETS

Cash	\$ 629,575
Prepaid items	3,349
Accounts receivable	410,240
Due from affiliates	<u>280,853</u>
Total current assets	1,324,017

PROPERTY AND EQUIPMENT, NET

1,442,914

OTHER ASSETS

Security deposits	1,095
Notes receivable	<u>3,830,000</u>
Total other assets	<u>3,831,095</u>

TOTAL ASSETS

\$ 6,598,026

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 43,493
Accrued expenses	256,274
Due to affiliates	58,008
Notes payable	420,089
Current portion of long term debt	<u>39,126</u>
Total current liabilities	816,990

LONG-TERM LIABILITIES

Long term debt, net of current portion	4,804,239
Less debt issuance costs - net	<u>(41,136)</u>
Total long-term liabilities	<u>4,763,103</u>
Total liabilities	5,580,093

NET ASSETS

Without donor restrictions	
Available for operations	1,017,933
With donor restrictions	<u>-</u>
Total net assets	<u>1,017,933</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 6,598,026

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

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE

Combined Statement of Activities
Year Ended June 30, 2025

NET ASSETS WITHOUT DONOR RESTRICTIONS	
REVENUES AND SUPPORT	
Contributions	\$ 216,097
Fundraising activities	51,710
Other income	<u>80,827</u>
Total revenues and support without donor restrictions	348,634
Net assets released from donor restrictions	<u>2,713,126</u>
TOTAL REVENUES, SUPPORT AND OTHER SUPPORT	
WITHOUT DONOR RESTRICTIONS	3,061,760
EXPENSES	
Instruction:	
Regular programs	1,232,370
Special education	330
Other instructional programs	4,923
Support Services:	
Pupil support	21,377
Instructional staff	16,968
General administration	69,619
School administration	501,876
Business services	36,519
Plant Services	164,787
Student transportation services	118,566
Central services	5,156
Non-instructional:	
Food services	46,063
Facilities acquisition and construction	20,589
Debt service:	
Interest and loan fees	287,660
Depreciation	<u>55,055</u>
TOTAL EXPENSES	<u>2,581,858</u>
Increase in net assets without donor restrictions	479,902

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

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE

Combined Statement of Activities
Year Ended June 30, 2025

NET ASSETS WITH DONOR RESTRICTIONS	
REVENUES AND SUPPORT	
State and local operating funding	2,460,708
Federal grants	<u>61,456</u>
TOTAL REVENUES AND SUPPORT WITH DONOR RESTRICTIONS	2,522,164
Net assets released from donor restrictions	<u>(2,713,126)</u>
Change in net assets with donor restrictions	<u>(190,962)</u>
CHANGE IN NET ASSETS	288,940
NET ASSETS AT BEGINNING OF YEAR	<u>728,993</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,017,933</u>

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

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE

Combined Statement of Functional Expenses
Year Ended June 30, 2025

	Instruction				Support Services						
	Regular Programs	Special Education	Other Instructional Programs	Pupil Support	Instructional Staff	General Administration	School Administration	Business Services	Plant Services	Student Transportation Services	Central Services
Salary	\$ 962,936	\$ -	\$ 2,086	\$14,435	\$ -	\$ -	\$ 203,967	\$ -	\$ -	\$ -	\$ -
Employee benefits	114,531	-	122	1,568	-	-	23,918	-	-	-	-
Professional services	-	-	2,160	5,231	15,693	28,419	140,905	8,572	1,086	118,566	5,156
Insurance	-	-	-	-	-	41,176	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	30,510	-	-
Energy	-	-	-	-	-	-	30,477	-	20,326	-	-
Telephone/postage	-	-	-	-	-	-	28,854	-	-	-	-
Disposal services	-	-	-	-	-	-	-	-	31,445	-	-
Rental of land/equipment	22,274	-	-	-	-	-	-	-	75,821	-	-
Materials and supplies	132,629	330	555	143	1,275	24	3,303	25,554	5,599	-	-
Food	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	70,452	2,393	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 1,232,370</u>	<u>\$ 330</u>	<u>\$ 4,923</u>	<u>\$21,377</u>	<u>\$ 16,968</u>	<u>\$ 69,619</u>	<u>\$ 501,876</u>	<u>\$ 36,519</u>	<u>\$ 164,787</u>	<u>\$ 118,566</u>	<u>\$ 5,156</u>

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

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE

Combined Statement of Functional Expenses
Year Ended June 30, 2025

	Non- instructional	Facilities Acquisition and Construction	Debt Service	
	Food Services	Contract Professionals	Interest and Loan Fees	Total
Salary	\$ -	\$ -	\$ -	\$1,183,424
Employee benefits	-	-	-	140,139
Professional services	-	20,589	-	346,377
Insurance	-	-	-	41,176
Repairs and maintenance	-	-	-	30,510
Energy	-	-	-	50,803
Telephone/postage	-	-	-	28,854
Disposal services	-	-	-	31,445
Rental of land/equipment	-	-	-	98,095
Materials and supplies	464	-	-	169,876
Food	45,599	-	-	45,599
Miscellaneous	-	-	47,696	120,541
Interest	-	-	281,100	281,100
	\$ 46,063	\$ 20,589	\$ 328,796	\$2,567,939

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

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE

Combined Statement of Cash Flows
Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 288,940
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	55,055
(Increase) decrease in-	
Prepaid items	31,814
Accounts receivable	(28,849)
Debt issuance cost	(41,136)
Security deposits	(1,095)
Increase (decrease) in -	
Accounts payable	(224,775)
Accrued expenses	160,853
Retainage payable	<u>(7,367)</u>
Net cash provided by operating activities	233,440
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(19,569)
Additions (reductions) to construction in progress	<u>(51,807)</u>
Net cash used by investing activities	(71,376)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net change in line of credit	420,089
Proceeds from long-term debt	3,929,886
Net change in notes receivable	(3,830,000)
Net change in due from affiliates	(280,853)
Net change in due to affiliates	58,008
Cash payments on long-term debt	<u>(24,739)</u>
Net cash provided by financing activities	<u>272,391</u>
Net increase in cash	434,455
Cash at beginning of year	<u>195,120</u>
Cash at end of year	<u>\$ 629,575</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	<u>\$ 281,100</u>

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

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and its Affiliate, Sunset French Immersion School Foundation, (collectively the Organization) are presented to assist in understanding the Organization's combined financial statements. The combined financial statements and notes are representations of the Organization's management who is responsible for the integrity and objectivity of the combined financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the combined financial statements.

Nature of Activities

Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School (the Organization) was founded in 2017 as a nonprofit organization incorporated under the laws of the State of Louisiana. The Organization is a tuition-free, public, French immersion charter school, open to all children living anywhere in Saint Landry Parish. The focus is to prepare students from the Acadiana region to be academically proficient, bilingual, and globally competent. In May of 2019, St. Landry Parish School Board agreed by resolution to approve the Organization to operate a Type 1 Charter School under the supervision of the St. Landry Parish School System which is governed by the St Landry Parish School Board under Louisiana Revised Statute 17:3971. The Organization's operations are located in Sunset, Louisiana, and first opened its doors to students in the 2021-2022 school year with only kindergarten and 1st grade classes. The Organization added 2nd grade classes in the Organization year 2022-2023. The Organization added 3rd grade classes in the Organization year 2023-2024 and 4th grade classes in the Organization year 2024-2025. It plans to continue to expand one grade a year as it grows. The Organization is governed by a board of directors and managed by a school leader.

Sunset French Immersion School Foundation (the Foundation) was organized as a non-profit organization and shall be operated exclusively for the benefit of, to perform the functions of, and to carry out the purposes of the Sunset French Immersion School, Inc.

The accompanying combined financial statements include the combined accounts of Sunset French Immersion School, Inc. and Sunset French Immersion Foundation. The organizations are commonly owned, managed, and operated. All significant intercompany balances and transactions have been eliminated in the combined financial statements.

Income Tax Exemption

The Organization is and exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Internal Revenue Service has determined that the School does not qualify as a private School within the meaning of Section 509(a) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying combined financial statements.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting which follows the recommendations of the Financial Accounting Standards Board in its Statement of Accounting Standards Codification No. 958-205-20, Not-for-Profit Entities – Presentation of Financial Statements. Under FASB ASC 958-205-20, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets without donor restrictions are resources

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are subject to donor-imposed or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. The Organization had net assets restricted by donors in the amount of \$0 at June 30, 2025. Restricted amounts represent grant funding to be used for future expenditures.

Revenue Recognition

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The standard prescribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized. It also requires expanded disclosures about the nature, amount, and timing of revenue and cash flows. This standard is effective beginning January 1, 2019. The adoption of this new guidance did not have a material impact on the Organization's combined financial statements.

Revenue is recognized when earned. Program service fees and payments under cost reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue With and Without Donor Restrictions

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 end or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Combined Statement of Activities as net assets are released from restrictions.

Functional Allocation of Expenses

The combined statement of activities presents expenses of the Organization's operations functionally between instruction, support services, non-instructional, facilities acquisition and construction, and debt service. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services

The Organization receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the combined statement of activities because the criteria for recognition under FASB ASC 958-605-25 have not been satisfied.

Receivables

Receivables are stated at the amount management expects to collect. Based on the payment nature of the receivables, management considers all amounts to be collectible; therefore no allowance was considered necessary as of June 30, 2025.

Property and Equipment

The organization follows the practice of capitalizing all individual fixed assets purchased greater than \$5,000 and fixed assets that in aggregate are greater than \$10,000 at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed assets are accounted for by the following classifications: land, building, equipment, betterment, leasehold improvements, equipment, furniture, and computer hardware and software. Depreciation is computed using the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Computers	3
Office Equipment	5
Vehicles	5
Office Furniture	7
Leasehold Improvements	Life of lease or 5 years, whichever is greater
Building Improvements	20
Building	30

Expenses for additions, major renewals, and betterments are capitalized. Expenses for routine maintenance and repairs are charged to expense as incurred.

Compensated Absences

Ten-month employees are entitled to a total of 8 paid days off per year for sickness and 2 paid days off per Ecole Saint-Landry year for personal reasons. From their date of hire, all twelve-month Ecole Saint-Landry based employees are eligible to earn up to 12 days of paid time off during their scheduled work year. These days can be used for vacation or sick purposes. Twelve-month employees will earn 1 day at the end of each month. Twelve-month employees will also be granted a total of ten days off during the summer break in addition to the regularly accrued vacation time.

Each twelve-month employee may carry over 12 days of accrued vacation over into the next fiscal or Ecole Saint-Landry year. These days will not be paid out. Sick time in excess of 8 days not taken by the end of the Ecole Saint-Landry year (for Ecole Saint-Landry based employees) or by June 30 (for administrators) will rollover to the following school year or may be transferred to another school district.

In accordance with the provisions of FASB ASC 710, *Compensation – General*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The Organization’s policy is to recognize the costs of compensated absences when actually paid to employees.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly-liquid investments to be cash equivalents. The Organization did not have any cash equivalents at June 30, 2025.

Use of Estimates

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

Fair Value of Financial Instruments

The Organization defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. Financial instruments included in the Organization's combined financial statements include cash and cash equivalents, receivables, prepaid items, and other assets. Unless otherwise disclosed in the notes to the combined financial statements, the carrying value of financial instruments is considered to approximate fair value due to the short maturity and characteristics of those instruments.

Subsequent Events

The Organization's charter is up for renewal on June 30, 2025. Management reasonably believes that the charter will be renewed for at least through the year ended June 30, 2026.

The Organization obtained a new line of credit on July 3, 2025, maturing on July 3, 2026.

Subsequent events were evaluated through December 29, 2025, which is the date the combined financial statements were available to be issued.

Debt Issuance Costs

The Organization capitalized debt issuance costs of \$45,355. The costs are amortized on a straight line basis over the life of the loan. Amortization expense recorded for the year ended June 30, 2025 was \$4,219.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amortization expense for the future years is as follows:

2026	\$	6,329
2027		6,329
2028		6,329
2029		6,329
All remaining years		15,820
	\$	<u>41,136</u>

NOTE 2 COMPENSATION OF BOARD OF DIRECTORS

Presently, Trustees do not receive any compensation for their services as Trustees of the Foundation. Directors and Trustees may be reimbursed for their expenses, if any, incurred in carrying out the purposes of the Foundation, provided that such reimbursement does not adversely affect the Foundation's qualification under Section 501(c)(3) of the Internal Revenue Code.

NOTE 3 CASH

The Organization may invest in United States bonds, notes, or bills as well as certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2025, the Organization had cash and interest-bearing deposits (book balances) totaling \$629,575.

NOTE 4 AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. The Organization maintains cash balances at one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC insured) and the Securities Investor Protection Corporation (SPIC insured) up to \$250,000 at each institution. The Organization believes it is not exposed to any significant credit risk on its cash balances. Cash deposits at times during the year exceed the limits of coverage. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents at June 30, 2025.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 4 AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS (continued)

The following reflects the Organization’s financial assets available for general use within one year as of June 30, 2025:

Financial assets at year end:	
Cash	\$ 629,575
Other receivables	410,240
Prepaid items	<u>3,349</u>
Total financial assets	<u>1,043,164</u>
Financial assets available to meet cash needs	
for general expenditures within one year	<u><u>\$ 1,043,164</u></u>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2025:

Assets being depreciated:	
Building	\$ 676,229
Construction in progress	418,623
Equipment	68,281
Land	42,300
Leasehold improvements	388,664
Less accumulated depreciation	<u>(151,183)</u>
Assets being depreciated, net	<u><u>\$ 1,442,914</u></u>

Total depreciation expense for the year ended June 30, 2025 was \$55,055.

NOTE 6 NOTES RECEIVABLE – FUND LOAN AGREEMENT

On September 20, 2024, Sunset French Immersion School Foundation, through its wholly owned subsidiary SFI Leverage Lender, LLC (“Lender”), entered into a Fund Loan Agreement with Enhanced Capital Louisiana NMTIC Investment Fund VII, LLC (“Borrower”). Under the terms of the agreement, SFI Leverage Lender, LLC advanced \$3,830,000 to the Borrower. The loan is evidenced by a promissory note and bears interest at a fixed rate of 4.5% annum.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 6 NOTES RECEIVABLE – FUND LOAN AGREEMENT

Principal and interest payments are scheduled as follows:

- Interest-only payments are due quarterly through September 20, 2031.
- A principal payment of \$1,983,000 is due on September 20, 2031.
- Beginning October 1, 2032, principal and interest payments of \$29,773 are due quarterly until maturity.
- The loan matures on June 30, 2059, at which time all remaining principal and accrued interest are due.

The loan is secured by a pledge agreement and is subject to certain covenants and events of default as outlined in the Fund Loan Agreement. As of June 30, 2025, the outstanding principal balance was \$3,830,000.

Management has evaluated the collectability of the note and determined no allowance for doubtful accounts is necessary as of year-end.

NOTE 7 NOTES PAYABLE

The Organization has a revolving line of credit with Bank of Sunset in the amount of \$400,000, originating on August 15, 2024. Bank advances on the line of credit are payable on demand, bearing an interest rate of 7.5%, per annum on the outstanding balance and matures February 15, 2025. The line of credit is collateralized by company assets and guaranteed by the Foundation and a member of the governing board. At June 30, 2025 the outstanding balance was \$397,815.

The Organization has a revolving line of credit with Bank of Sunset in the amount of \$23,000, originating on June 20, 2025. Bank advances on the line of credit are payable on demand, bearing a variable interest rate at the Wall Street Journal Prime amount, initially 7.50%, per annum on the outstanding balance and matures September 20, 2025. The line of credit is collateralized by real estate and guaranteed by the Foundation and the board president. At June 30, 2025 the outstanding balance was \$8,917.

The Organization has a revolving line of credit with Bank of Sunset originating on June 20, 2025. Bank advances on the line of credit are payable on demand. The line of credit is collateralized by company assets and guaranteed by the Foundation and the board president. At June 30, 2025 the outstanding balance was \$13,357. The line of credit was paid off on July 3, 2025.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 8 LONG-TERM DEBT

Note payable in the amount of \$1,626,106 due September 20, 2026, bearing interest at 7% per annum, secured by assets and leases and rent	\$ 1,626,106
Note payable in the amount of \$2,303,780 due September 20, 2031, variable interest at 7% per annum, secured by assets and leases and rent	2,303,780
Note payable in the amount of \$950,000 due July 31, 2028, variable interest at 6.50%, secured by possessory and real estate collateral	<u>913,479</u>
	4,843,365
Less current maturities	<u>(39,126)</u>
Long-term portion	<u>\$ 4,804,239</u>

As of September 20, 2024, Hope Credit Union Enterprise Corporation agreed to make a loan in the original principal amount of \$1,626,106 to SFI Leverage Lender, LLC, secured by assets of SFI Leverage Lender, LLC and SFI QALICB, and a pledge of the leases and rents and is guaranteed by the School and the Foundation. The loan bears interest at 7.00% per annum and matures on September 20, 2026, with interest only payments beginning September 2024 and a balloon payment at maturity.

As of September 20, 2024, Hope Credit Union Enterprise Corporation agreed to make a loan in the original principal amount of \$2,303,780 to SFI Leverage Lender, LLC, secured by assets of SFI Leverage Lender, LLC and SFI QALICB, and a pledge of the leases and rents and is guaranteed by the School and the Foundation.. The loan bears interest at 7.00% per annum and matures on September 20, 2031, with interest only payments beginning September 2024 and continuing for 17 months. The loan will then be converted to 365-month repayment schedule with a balloon payment at maturity

As of August 25, 2023, Charter Schools Development Corporation agreed to make a loan in the original principal amount of \$950,000 to the Foundation, secured by property located at 671 Napoleon Drive, Sunset, Louisiana 70584, and a pledge of the leases and rents. The loan bears interest at 6.50% per annum and matures on July 31, 2028, with interest only payments in 2023. Starting in 2024, the principal balance with accrued interest thereon shall be due and payable in consecutive equal monthly installments calculated by the lender on the basis of (a) the outstanding principal balance as of January 1, 2024, (b) a twenty (20) year amortization period that commences on January 1, 2024, and (c) a fixed annual rate of interest equal to 6.50%.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Notes to Combined Financial Statements

NOTE 8 LONG-TERM DEBT (continued)

Debt Issuance Costs

In 2025, the Project retroactively adopted the requirements of FASB ASC 835-30 to present debt issuance costs as a reduction of the carrying amount of the debt rather than as an asset. Amortization of the debt issuance cost is included in interest and loan fees on the statement of activities.

Scheduled maturities of long-term debt for each of the next five years is summarized below:

2026	\$ 39,126
2027	1,707,471
2028	87,096
2029	890,039
2030 and thereafter	<u>2,119,633</u>
Total long-term debt	<u>\$ 4,843,365</u>

NOTE 9 SHARED SERVICE AGREEMENT

Ecole Saint-Landry School entered into a shared services agreement with St Landry Parish School Board effective for the 2024-2025 school year. This shared services agreement seeks to ensure that students attending the Organization have access to an array of academic and extracurricular programs and services including services such as transportation, school food service, special education, pupil appraisal and related services, special education aide, school nurse, and school bus attendant. The services provided under this shared services agreement are reported under Support Services, Student Transportation Services at \$118,566 and Non-instructional, Food Services at \$45,599 on the Combined Statement of Activities as of June 30, 2025.

SUPPLEMENTARY INFORMATION

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Combining Statement of Financial Position
June 30, 2025

	Sunset French Immersion School, Inc.	Sunset French Immersion School Foundation	Eliminating	Combined
ASSETS				
CURRENT ASSETS				
Cash	\$ 465,099	\$ 164,476	\$ -	\$ 629,575
Prepaid items	3,349	-	-	3,349
Accounts receivable	410,240	-	-	410,240
Due from affiliates	<u>357,316</u>	<u>-</u>	<u>(76,463)</u>	<u>280,853</u>
Total current assets	1,236,004	164,476	(76,463)	1,324,017
PROPERTY AND EQUIPMENT, NET	60,649	1,382,265	-	1,442,914
OTHER ASSETS				
Security deposits	1,095	-	-	1,095
Notes receivable	-	3,830,000	-	3,830,000
Operating lease right-of-use asset	<u>578,133</u>	<u>-</u>	<u>(578,133)</u>	<u>-</u>
Total other assets	<u>579,228</u>	<u>3,830,000</u>	<u>(578,133)</u>	<u>3,831,095</u>
TOTAL ASSETS	<u>\$ 1,875,881</u>	<u>\$ 5,376,741</u>	<u>\$ (654,596)</u>	<u>\$ 6,598,026</u>

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Combining Statement of Financial Position
June 30, 2025

LIABILITIES AND NET ASSETS	Sunset French Immersion School, Inc.	Sunset French Immersion School Foundation	Eliminating	Combined
CURRENT LIABILITIES				
Accounts payable	\$ 43,493	\$ -	\$ -	\$ 43,493
Accrued expenses	256,274	-	-	256,274
Due to affiliates	-	134,471	(76,463)	58,008
Notes payable	-	420,089	-	420,089
Current portion of operating lease liability	26,553	-	(26,553)	-
Current portion of long term debt	<u>-</u>	<u>39,126</u>	<u>-</u>	<u>39,126</u>
Total current liabilities	326,320	593,686	(103,016)	816,990
LONG-TERM LIABILITIES				
Operating lease liability, net of current portion	884,869	-	(884,869)	-
Long term debt, net of current portion	-	4,804,239	-	4,804,239
Less debt issuance costs - net	<u>-</u>	<u>(41,136)</u>	<u>-</u>	<u>(41,136)</u>
Total long-term liabilities	<u>884,869</u>	<u>4,763,103</u>	<u>(884,869)</u>	<u>4,763,103</u>
Total liabilities	1,211,189	5,356,789	(987,885)	5,580,093
NET ASSETS				
Without donor restrictions				
Available for operations	322,579	19,952	-	342,531
With donor restrictions	<u>342,113</u>	<u>-</u>	<u>333,289</u>	<u>675,402</u>
Total net assets	<u>664,692</u>	<u>19,952</u>	<u>333,289</u>	<u>1,017,933</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,875,881</u></u>	<u><u>\$ 5,376,741</u></u>	<u><u>\$ (654,596)</u></u>	<u><u>\$ 6,598,026</u></u>

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Combining Statement of Activities
Year Ended June 30, 2025

	Sunset French Immersion School, Inc.	Sunset French Immersion School Foundation	Eliminating	Combined
NET ASSETS WITHOUT DONOR RESTRICTIONS				
REVENUES AND SUPPORT				
Contributions	\$ 216,097	\$ -	\$ -	\$ 216,097
Fundraising activities	51,710	-	-	51,710
Other income	37,739	43,088	-	80,827
Rental income	-	322,178	(322,178)	-
Total revenues and support without donor restrictions	305,546	365,266	(322,178)	348,634
Net assets released from donor restrictions	2,713,126	-	-	2,713,126
TOTAL REVENUES, SUPPORT AND OTHER SUPPORT				
WITHOUT DONOR RESTRICTIONS	3,018,672	365,266	(322,178)	3,061,760
EXPENSES				
Instruction:				
Regular programs	1,232,370	-	-	1,232,370
Special education	330	-	-	330
Other instructional programs	4,923	-	-	4,923
Support Services:				
Pupil support	21,377	-	-	21,377
Instructional staff	16,968	-	-	16,968
General administration	69,619	-	-	69,619
School administration	501,876	-	-	501,876
Business services	36,519	-	-	36,519
Plant Services	645,987	-	(481,200)	164,787
Student transportation services	118,566	-	-	118,566
Central services	5,156	-	-	5,156

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Combining Statement of Activities
Year Ended June 30, 2025

	Sunset French Immersion School, Inc.	Sunset French Immersion School Foundation	Eliminating	Combined
EXPENSES				
Non-instructional:				
Food services	46,063	-	-	46,063
Facilities acquisition and construction	-	20,589	-	20,589
Debt service:				
Interest and loan fees	-	287,660	-	287,660
Depreciation	13,372	41,683	-	55,055
TOTAL EXPENSES	2,713,126	349,932	(481,200)	2,581,858
Increase in net assets without donor restrictions	305,546	15,334	159,022	479,902
NET ASSETS WITH DONOR RESTRICTIONS				
REVENUES AND SUPPORT				
State and local operating funding	2,460,708	-	-	2,460,708
Federal grants	61,456	-	-	61,456
TOTAL REVENUES AND SUPPORT WITH DONOR RESTRICTIONS	2,522,164	-	-	2,522,164
Net assets released from donor restrictions	(2,713,126)	-	-	(2,713,126)
Change in net assets with donor restrictions	(190,962)	-	-	(190,962)
CHANGE IN NET ASSETS	114,584	15,334	159,022	288,940
NET ASSETS AT BEGINNING OF YEAR	550,108	4,618	174,267	728,993
NET ASSETS AT END OF YEAR	\$ 664,692	\$ 19,952	\$ 333,289	\$ 1,017,933

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Combining Statement of Functional Expenses
Year Ended June 30, 2025

Sunset French Immersion School, Inc.

	Instruction				Support Services						
	Regular Programs	Special Education	Other Instructional Programs	Pupil Support	Instructional Staff	General Administration	School Administration	Business Services	Plant Services	Student Transportation Services	Central Services
Salary	\$ 962,936	\$ -	\$ 2,086	\$14,435	\$ -	\$ -	\$ 203,967	\$ -	\$ -	\$ -	\$ -
Employee benefits	114,531	-	122	1,568	-	-	23,918	-	-	-	-
Professional services	-	-	2,160	5,231	15,693	28,419	140,905	8,572	1,086	118,566	5,156
Insurance	-	-	-	-	-	41,176	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	30,510	-	-
Energy	-	-	-	-	-	-	30,477	-	20,326	-	-
Telephone/postage	-	-	-	-	-	-	28,854	-	-	-	-
Disposal services	-	-	-	-	-	-	-	-	31,445	-	-
Rental of land/equipment	22,274	-	-	-	-	-	-	-	557,021	-	-
Materials and supplies	132,629	330	555	143	1,275	24	3,303	25,554	5,599	-	-
Food	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	70,452	2,393	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 1,232,370</u>	<u>\$ 330</u>	<u>\$ 4,923</u>	<u>\$21,377</u>	<u>\$ 16,968</u>	<u>\$ 69,619</u>	<u>\$ 501,876</u>	<u>\$ 36,519</u>	<u>\$ 645,987</u>	<u>\$ 118,566</u>	<u>\$ 5,156</u>

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL AND AFFILIATE
Sunset, Louisiana

Combining Statement of Functional Expenses
Year Ended June 30, 2025

Sunset French Immersion School, Inc.	Sunset French Immersion School Foundation			
Non- ructional	Facilities Acquisition and Construction	Debt Service		
Food ervices	Contract Professionals	Interest and Loan Fees	Eliminating	Combined
\$ -	\$ -	\$ -	\$ -	\$1,183,424
-	-	-	-	140,139
-	20,589	-	-	346,377
-	-	-	-	41,176
-	-	-	-	30,510
-	-	-	-	50,803
-	-	-	-	28,854
-	-	-	-	31,445
-	-	-	(481,200)	98,095
464	-	-	-	169,876
45,599	-	-	-	45,599
-	-	6,560	-	79,405
-	-	281,100	-	281,100
<u>\$ 46,063</u>	<u>\$ 20,589</u>	<u>\$ 287,660</u>	<u>\$ (481,200)</u>	<u>\$2,526,803</u>

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule of the Governing Boards (Unaudited)
Year Ended June 30, 2025

<u>Board Member</u>	<u>Term Expiration</u>
Jerry Domengeaux <i>President</i>	December 31, 2025
Lauren Leonpacher <i>Secretary</i>	December 31, 2027
Skye Duhon <i>Treasurer</i>	December 31, 2025
Toby Aguiard <i>Member</i>	December 31, 2027
Eman Boyd <i>Member</i>	December 31, 2027
Kelley Courville <i>Member</i>	December 31, 2027
Brady McKellar <i>Member</i>	December 31, 2025
John Paul Pickett <i>Member</i>	December 31, 2027

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule of Insurance in Force (Unaudited)
Year Ended June 30, 2025

Type of Coverage	Limits of Coverage	Expires	Company
Workers' Compensation	\$1,000,000	5/28/2026	LUBA Casualty Insurance Company
Student Accident	Accident medical expense benefit - \$500,000 \$25,000 maximum per student	5/28/2026	United States Fire Insurance Company
Commercial Auto & General Liab (package)	Auto liability - \$1,000,000 General liability - \$1,000,000 each occurrence General aggregate limit - \$3,000,000 Personal & advertising injury - \$1,000,000 any one entity Products/completed operations aggregate limit - \$3,000,000 Professional liability - \$1,000,000 each occurrence Sexual or physical abuse liability \$1,000,000 each occurrence Property: Contents - \$158,182 TIV Business Income & Extra Expense: \$500,000	5/28/2026	GuideOne Insurance Company
Commercial Crime	\$1,000,000 - Employee theft \$1,000,000 - Money orders and counterfeit currency	5/28/2026	Atlantic Specialty Insurance Company
Cyber & Privacy Liab.	\$1,000,000	5/28/2026	Tokio Marine HCC
Excess Liability	\$1,000,000	5/28/2026	GuideOne Insurance Company
Educators Legal & Employment Pract.	\$1,000,000	5/28/2026	GuideOne Insurance Company
Workers' Compensation	\$1,000,000	5/28/2026	LUBA Casualty Insurance

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head
Year Ended June 30, 2025

Agency Head Name: Lindsay Smythe, School Leader

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 88,397
Benefits - insurance	6,802
Reimbursements	7,817
Registration fees	60
Travel	417
Conference travel	<u>5,406</u>
Total	<u>\$ 108,899</u>

**INTERNAL CONTROL, COMPLIANCE,
AND
OTHER MATTERS**

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
Sunset French Immersion School, Inc.
d/b/a Ecole Saint-Landry School
Sunset, 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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document; therefore, its distribution is not limited.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 29, 2025

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Summary Schedule of Prior Year Findings
Year Ended June 30, 2025

This section is not applicable for the fiscal year ended June 30, 2025 as there were no findings for the year ended June 30, 2024.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School's financial statements as of and for the years ended June 30, 2025.

Deficiencies in Internal Control – Financial Reporting

There were no deficiencies in internal control over financial reporting noted during the audit.

Material Noncompliance – Financial Reporting

The results of our tests did not disclose any instances of noncompliance which is required to be reported under *Government Auditing Standards*.

FEDERAL AWARDS

This section is not applicable for the year ended June 30, 2025.

MANAGEMENT LETTER

A management letter was not issued for the fiscal year ended June 30, 2025.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

This section is not applicable for the year ended June 30, 2025.

Part 3: Findings and Questioned Costs Relating to Federal Programs

This section is not applicable for the year ended June 30, 2025.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2025

This section is not applicable for the year ended June 30, 2025.



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Sunset French Immersion School, Inc.
d/b/a Ecole Saint-Landry School
Sunset, Louisiana,
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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School for the fiscal year ended June 30, 2025; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514.1. Management of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School is responsible for its performance and statistical data.

The Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry 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 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 1)

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, and
 - Nonpublic Transportation Revenue.

The Organization does not receive local taxation revenue, local earnings on investment in real property, state revenue in lieu of taxes, nonpublic textbook revenue, or nonpublic transportation revenue.

Exceptions Noted: None.

Class Size Characteristics (Schedule 2)

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 1 roll books for those classes and observed that the class was properly classified on the schedule.

Exceptions Noted: None.

Education Levels/Experience of Public School Staff (No Schedule)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and 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.

Procedures indicated testing a random sample of 25 teachers, principals, and assistant principals.

Exceptions Noted: None.

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and 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).

Procedures indicated testing a random sample of 25 teachers.

Exceptions Noted: None.

We were engaged by Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry 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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and to meet our 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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry 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.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
December 29, 2025

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule 1 – General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Year Ended June 30, 2025

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 860,693	
Other Instructional Staff Activities	104,329	
Instructional Staff Employee Benefits	106,646	
Purchased Professional and Technical Services	-	
Instructional Materials and Supplies	41,046	
Instructional Equipment	<u>43,990</u>	

Total Teacher and Student Interaction Activities

\$ 1,156,704

Other Instructional Activities

14,348

Pupil Support Activities

18,174

Less: Equipment for Pupil Support Activities

-

Net Pupil Support Activities

18,174

Instructional Staff Services

13,323

Less: Equipment for Instructional Staff Services

-

Net Instructional Staff Services

13,323

School Administration

543,232

Less: Equipment for School Administration

-

Net School Administration

543,232

Total General Fund Instructional Expenditures

\$ 1,745,781

Total General Fund Equipment Expenditures

\$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes

\$ -

Renewable Ad Valorem Taxes

-

Debt Service Ad Valorem Taxes

-

Up to 1% of Collections by the Sheriff on Taxes Other Than School Taxes

-

Sales and Use Taxes

-

Total Local Taxation Revenue

\$ -

Local Earnings on Investments in Real Property:

Earnings from 16th Section Property

-

Earnings from Other Real Property

-

Total Local Earnings on Investment in Real Property

\$ -

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax

-

Revenue Sharing - Other Tax

-

Revenue Sharing - Excess Portion

-

Other Revenue in Lieu of Taxes

-

Total State Revenue in Lieu of Taxes

\$ -

Nonpublic Textbook Revenue

\$ -

Nonpublic Transportation Revenue

\$ -

See Independent Accountant's Report on Applying Agreed-upon Procedures

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule 2 – Class Size Characteristics
As of October 1, 2024

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	90.5%	76	8.3%	7	1.2%	1	0.0%	-
Elementary Activity Classes	91.7%	11	8.3%	1	0.0%	-	0.0%	-
Middle/Jr. High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Middle/Jr. High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-



OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Sunset French Immersion School, Inc.
d/b/a Ecole Saint-Landry School and Affiliate
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, 2024 through June 30, 2025. The Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and Affiliate (Entity's) management is responsible for those C/C areas identified in the SAUPs.

The Entity 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, 2024 through June 30, 2025. 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:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and do address the functions noted above.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Written policies and procedures were obtained and do address the functions noted above.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
Written policies and procedures were obtained and do address the functions noted above.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Written policies and procedures were obtained and do address the functions noted above.
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Written policies and procedures were obtained and do address the functions noted above.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Written policies and procedures were obtained and do address the functions noted above.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and do address the functions noted above.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Written policies and procedures were obtained and do address the functions noted above.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
Written policies and procedures were obtained and do address the functions noted above.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Written policies and procedures were obtained and do address the functions noted above.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Written policies and procedures were obtained and do address the functions noted above.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
Written policies and procedures were obtained and do address the functions noted above.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
No exceptions were found as a result of this procedure.
 - ii. 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds comprised more than 10% of the entity's collections during the fiscal period.*
No exceptions were found as a result of this procedure.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
Not applicable.
 - iv. 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.
No exceptions were found as a result of this procedure.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- Obtained listing of bank accounts from management and management's representation that the listing is complete.*
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
No exceptions were found as a result of this procedure.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

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

Obtained listing of deposit sites and management's representation that the listing is complete.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

Obtained listing of collection locations from management and management's representation that the listing is complete.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exceptions were found as a result of this procedure.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting*

the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.
Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
No exceptions were found as a result of this procedure.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions were found as a result of this procedure.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions were found as a result of this procedure.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
No exceptions were found as a result of this procedure.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions were found as a result of this procedure.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Listing of locations that process payments and management's representation that the listing is complete was obtained.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions were found as a result of this procedure.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions were found as a result of this procedure.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
No exceptions were found as a result of this procedure.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
No exceptions were found as a result of this procedure.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions were found as a result of this procedure.

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

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

Listing of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing is complete was obtained.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

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

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

A listing of travel reimbursements in the current year along with management’s representation that it was complete was obtained.

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

Not applicable.

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

No exceptions were found as a result of this procedure.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.*

Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

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

Not applicable.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Listing of employees and management's representation that the listing is complete was obtained. Authorized salaries/pay rates traced to personnel files without exception.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No termination payments paid during the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions were found as a result of this procedure.

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

No changes were made to the Entity's ethics policy during the fiscal year.

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

No exceptions were found as a result of this procedure.

11) Debt Service

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

Not applicable.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve

balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

12) Fraud Notice

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

No misappropriations of public funds or assets noted.

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

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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 there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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.

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.

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.

As a non-profit, the Entity is not required to follow R.S. 42:1267 unless their charter specifically addresses cybersecurity training. The Entity's charter does not require this, therefore this procedure is not applicable.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

As a non-profit, the Entity is not required to follow the Sexual Harassment procedures unless their charter specifically requires it. The Entity does have its employees complete sexual harassment training. The full-time employees selected did complete sexual harassment training during the year. No exceptions were found as a result of this procedure.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions were found as a result of this procedure.

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

The Entity is a non-profit; therefore, this procedure is not applicable.

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

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

We are required to be independent of the Entity 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.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

December 29, 2025