

**LOUISIANA LEADERSHIP INSTITUTE  
(A NONPROFIT ORGANIZATION)**

**ANNUAL FINANCIAL REPORT**

**As of and for the year ended  
June 30, 2025**

**(With Accountant's Report Thereon)**

LOUISIANA LEADERSHIP INSTITUTE

Annual Financial Report  
As of and for the year ended  
June 30, 2025  
With Supplemental Information Schedule

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**MICHAEL K. GLOVER**  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Louisiana Leadership Institute  
Baton Rouge, Louisiana

**Opinion**

I have audited the accompanying financial statements of the Louisiana Leadership Institute (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Leadership Institute (a nonprofit organization) as of June 30, 2025, and the changes in net assets and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United State of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Louisiana Leadership Institute, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Responsibilities of Management for the Financial Statements**

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

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

**Auditors' Responsibility for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 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 system of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures reasonable to those risks. Such procedures include examining, on a test basis evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of system of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Leadership institutes system of internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Louisiana Leadership Institutes ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, amount other matters, the planned scope and timing of the audit, significant auditing findings, and certain system of internal control-related matter that I identified during the audit.

#### **Report on Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Louisiana Leadership Institute basic financial statements. The accompanying supplemental schedules of Executive Director Compensation, Benefits, and Other Payments, listed in the table of contents is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated December 27, 2025, on my consideration of the Board's system of internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of my testing of system of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the system of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's system of internal control over financial reporting and compliance

  
Michael K Glover APAC  
Baton Rouge, LA  
December 27, 2025

**MICHAEL K. GLOVER**  
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Independent Auditor's Report on System of internal control over Financial Reporting and On Compliance and  
Other Matters Based on an Audit of the Financial Statements Performed in  
Accordance with *Government Auditing Standards*

To the Board of Directors  
Louisiana Leadership Institute  
Baton Rouge, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Louisiana Leadership Institute (a nonprofit organization) which comprise of the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements, and have issued my report thereon dated December 27, 2025.

**Report on System of internal control over Financial Reporting**

*In planning and performing my audit of the financial statements, I considered the Louisiana Leadership Institute system of internal control over financial reporting (system of internal control) as a basis for designing audit procedures are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Leadership Institute system of internal control. Accordingly, I do not express an opinion on the effectiveness of Louisiana Leadership Institute system of internal control.*

*A deficiency in system of 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 combination of deficiencies, in system of internal control, such that there is a reasonable possibility that a material misstatement of the Institute'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 system of internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.*

My consideration of the system 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 system of internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in the system of internal control that I 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 Louisiana Leadership Institute's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test 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 my testing of system of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institute's system of internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's system of internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Michael K. Glover APAC  
Baton Rouge, La  
December 27, 2025

## LOUISIANA LEADERSHIP INSTITUTE

Exhibit A

Statement of Financial Position  
June 30, 2025**ASSETS**

## Current assets:

Cash and cash equivalents	\$	2,788,617
Investments		1,806,072
Acct receivables		375,000
Accrued interest		18,257
Prepaid insurance		91,677
Total current assets		<u>5,079,623</u>

## Capital Assets

Property and equipment		9,585,329
Less: Accumulated depreciation		<u>(3,876,507)</u>
		5,708,822

Total Assets	\$	<u><u>10,788,445</u></u>
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**LIABILITIES**

## Current liabilities:

Accounts payable	\$	20,992
Payroll tax payable		1,208
Deferred funds - with donor restrictions		<u>3,367,201</u>
Total current liabilities		<u>3,389,401</u>

**NET ASSETS**

With donor restrictions		(388,161)
Without donor restrictions		<u>7,787,205</u>
Total net assets		<u>7,399,044</u>

Total liabilities and net assets	\$	<u><u>10,788,445</u></u>
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The notes and the independent auditor's report are an integral part of this statement.

## LOUISIANA LEADERSHIP INSTITUTE

Exhibit B

**STATEMENT OF ACTIVITIES**  
For the year ended June 30, 2025

	<u>Without Donor Restricted Funds</u>	<u>With Donor Restricted Funds</u>	<u>Total</u>
<b>Revenues and support</b>			
Grant	\$ 0	1,875,000	1,875,000
Donations and contributions	114,936		114,936
Other	52,540		52,540
	<u>167,476</u>	<u>1,875,000</u>	<u>2,042,476</u>
<b>Expenses</b>			
Program Expenses	0	1,500,000	1,500,000
Total program expense	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>
<b>Support</b>			
General and administrative	47,727	-	47,727
Depreciation	398,535		398,535
Interest	621		621
Total support expenses	<u>446,883</u>	<u>-</u>	<u>446,883</u>
Total expense	<u>446,883</u>	<u>1,500,000</u>	<u>1,946,883</u>
<b>Income from Operations</b>	<u>(279,407)</u>	<u>375,000</u>	<u>95,593</u>
Release of funds to purchase capital assets with restricted funds	88,001	(88,001)	
<b>Other (expenses) revenues</b>			
Gain (Loss) on sale of investments	190,056		190,056
Interest income forgiven	183,449		183,449
Investment income	99,541		99,541
Change in net assets	<u>281,640</u>	<u>286,999</u>	<u>568,639</u>
<b>Total net assets-beginning</b>	<u>7,505,565</u>	<u>(675,160)</u>	<u>6,830,405</u>
<b>Total net assets-ending</b>	<u>\$ 7,787,205</u>	<u>(388,161)</u>	<u>7,399,044</u>

The notes and the independent auditor's report are an integral part of this statement.

LOUISIANA LEADERSHIP INSTITUTE

Exhibit C

STATEMENT OF FUNCTIONAL EXPENSES  
PROGRAM SERVICES  
For the year ended June 30, 2025

	<u>Program Services</u>	
	<u>Act 776</u>	<u>Total</u>
Salaries	\$ 364,120	364,120
Related benefits	27,855	27,855
Advertising	9,384	9,384
Printing	3,661	3,661
Insurance	170,187	170,187
Repair and maintenance	14,754	14,754
Maintenance of Office and Grounds	35,847	35,847
Dues and subscriptions	4,803	4,803
Telephone and internet service	9,252	9,252
Scholarship and awards	1,535	1,535
Utilities	39,873	39,873
Office supplies	5,929	5,929
Professional and contract services	67,685	67,685
Other charges	621,534	621,534
Acquisitions & Major Repairs	123,581	123,581
	<u>\$ 1,500,000</u>	<u>1,500,000</u>

The notes and the independent auditor's report are an integral part of this statement.

## LOUISIANA LEADERSHIP INSTITUTE

Exhibit D

STATEMENT OF CASH FLOWS  
For the year ended June 30, 2025

Cash Flows from Operating Activities:	
Revenue collected:	
Contributions from donor restricted funds	\$ 1,500,000
Contributions without donor restrictions	114,936
Other income	<u>52,540</u>
	1,667,476
Payment for expenses:	
Compensation and payments to suppliers	<u>(1,543,934)</u>
Net cash used for operating activities	123,542
Cash Flows From Investing Activities:	
Interest and dividend received	126,066
Purchase of investments	(718,680)
Sale of investments	806,434
Purchase of capital assets	<u>(171,582)</u>
	42,238
Cash Flows From Financing Activities	
Payment on promissory note	<u>(691,081)</u>
	(648,843)
Net increase (decrease) in cash and cash equivalents	(525,301)
Cash and cash equivalents, beginning of year	<u>3,313,918</u>
Cash and cash equivalents, end of year	\$ <u><u>2,788,617</u></u>
RECONCILIATION OF OPERATING INCOME AND NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 95,593
Adjustments to reconcile net assets to cash provided (used) by operating activities:	
Depreciation	398,535
Change in assets and liabilities	
Accounts receivables	(375,000)
Accounts payables	15,060
Prepaid insurance	(10,392)
Accrued liabilities	0
Payroll tax payable	(254)
Net cash provided (used) by operating activities	\$ <u><u>123,542</u></u>
Other required disclosures:	
Interest paid	\$ 621

The notes and the independent auditor's report are an integral part of this statement.

# LOUISIANA LEADERSHIP INSTITUTE

## Notes to Financial Statements As of and for the Year ended June 30, 2025

### 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. NATURE OF ACTIVITIES

The Louisiana Leadership Institute (the "Institute") is a private nonprofit organization located in Baton Rouge, Louisiana. The Institute was created to provide the opportunity for students to develop leadership skills, improve academics, heighten self-esteem, and instill motivation while building a strong work ethic and positive outlook for the professional world.

#### A. Cash and Cash Equivalents

For purposes of statements of cash flows, the institute considers all highly liquid investment available for current use with an initial maturity of three months or less to be cash equivalents. These include checking and saving accounts, and certificates of deposit with a maturity within three months of the date acquired.

Certificates of deposit with maturity dates greater than three months are stated at cost, which approximates market value. Certificates of deposit having a maturity date greater than one year from year-end are considered long-term assets.

#### B. Account receivables

Accounts receivables include a cost report that was submitted during the current fiscal year and paid after the year ended.

#### C. Property and equipment

Property and equipment are capitalized at cost. Donated property is recorded at its estimated fair value on the date of receipt. Additions, renewals, and betterments that extend the life of the assets are capitalized. Maintenance and repair expenditures are expensed as incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives ranging from three to 7 years for furniture, vehicles and equipment to forty years for buildings.

#### D. Use of Estimates

The preparation of 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 and disclosures. Actual results could differ from those estimates.

#### E. Accounts payable

Accounts payables include purchase from various vendors for operating expenses.

#### F. Income tax status

The Institute is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service.

#### G. Investments

Investments are Level 1 equity securities with readily determinable fair values and recorded in the statement of financial position and recorded at their cost. Unrealized gains and losses are not included in the change of net assets. Investment income and gains are recorded in the statement of activities.

#### H. Prepaid insurance

Prepaid insurance is insurance premiums paid before the expense was incurred. The expense is determined by the number of months the policy was in effect.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Accrued interest.

Accrued interest is interest on certificates of deposit not paid as of year-end.

J. Deferred funds

Deferred funds are grants and funds received during the fiscal year that will not be expended until the next fiscal period. The entity was not required to maintain these funds in a separate bank account.

K. Revenues

Program Revenues

The Statement of Activities presents grants, donations and contributions for scholarships and other contributions separately and classified as either with donor restrictions or without donor restrictions. These revenues apply to exchange transactions that are bound by contracts arrangements and establish a performance approach to revenue recognition. Due to the nature of these transactions, revenue and potential related expenses are influenced by economic factors, such as time of year and political mandate.

Grants, funds and contributions - whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

L. Cost Allocation

The financial statements report certain categories of expense that are attributed to more than one program or supporting function (general and administrative). These expenses are allocated on a reasonable basis that is determined by management and the requirements of the program(s).

M. Recent Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB 87, Leases, which require leases to be recorded by the lessee and the lessor as an asset and/or a liability on the balance sheet where the term of the lease obligation is for more than twelve months.

2. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash on hand	2,283,617	1,251,283
Certificate of Deposits	<u>505,000</u>	<u>2,062,635</u>
Total available	<u>2,788,617</u>	<u>3,313,918</u>

*Custodial credit risk* is the risk that in the event of a bank failure, the Institute's deposits may not be returned. The Institute does not have a deposit policy for custodial credit risk. As of June 30, 2025, the institutes had FDIC insurance coverage on \$750,000 and the balance of \$2,274,271 exposed to custodial credit risk.

3. Certificate of Deposits

The certificate of deposits are held in financial institutions and with an investment broker. These stated rates and maturity periods vary.

4. INVESTMENTS

The Board authorized certain deposits to be placed in a third party brokerage account to invest in equity securities that will be selected by the board and an advisor with the broker firm.

Credit risk: - The board does not have a policy.

Custodial credit risk: - The board does not have a policy

Concentration of credit risk: The board does not have a policy.

Interest rate risk: - The board does not have a policy.

Foreign currency risk: Not applicable.

The investments in the brokerage account are at fair value. Quoted prices in active markets are readily available and are being used to measure the fair value of the Level 1 equity securities. The fair value at year end was \$2,313,871. The brokerage account balance as of June 20, 2025, is as follows:

<u>Security</u>	<u>Sym</u>	<u>Cost</u>	<u>MKV</u>	<u>Unrealized Gain (Loss)</u>
Apple	AAPL	337,962	514,304	176,342
Microsoft	MSFT	33,971	49,937	15,966
State Strt Hlth Cre	XLV	79,224	83,646	4,422
State Stret Enrgy	XLE	211,127	218,722	7,595
State Strt Industrial	XLI	228,275	301,900	73,625
State Stret Spdr Prtfl	SPSM	64,024	73,219	9,195
State Street Spdr S&P 1500	MMTM	129,350	194,138	64,788
SPDR S&P 500 ETF Trust	SPY	244,944	316,461	71,517
Vanguard Financial ETF	VFH	247,441	339,020	91,579
Xtrackers Msci Eafe Hdge	DBEF	114,952	116,681	1,729
Ishares US Healthcare	IYH	114,802	105,843	(8,959)
		<u>\$ 1,806,072</u>	<u>\$ 2,313,871</u>	<u>\$ 507,799</u>

Investment income for the fiscal year:	
Realized gain on sale of investments	\$ 190,056
Interest income	99,541
Dividend income-reinvested	35,091
Investment return	<u>\$ 324,688</u>

LOUISIANA LEADERSHIP INSTITUTE  
 Baton Rouge, Louisiana  
 Notes to Financial Statements (Continued)

5. CAPITAL ASSETS

Capital assets as of June 30, 2025 are as follows:

	Beginning Balance	Adjustments	Additions	Deletions	Ending Balance
Land	\$ 297,553				297,553
Construction in progress	149,210	(132,799)	89	16,500	-
Building and improvements	7,124,811	16,500	88,444		7,229,755
Office equipment	63,201				63,201
Office furniture	468,479				468,479
Machinery and equipment	338,730		83,049		421,779
Vehicles	1,090,559				1,090,559
Other assets	14,004				14,004
<b>Total Depreciable Capital Assets</b>	<b>9,546,547</b>	<b>P (116,299)</b>	<b>171,582</b>	<b>16,500</b>	<b>9,585,329</b>
Less Accumulated depreciation					
Building and improvements	2,883,567		200,447		3,084,014
Office equipment	40,324		9,312		49,636
Office furniture	309,477		62,745		372,222
Machinery and equipment	16,058		33,623		49,681
Vehicles	214,542		92,408		306,950
Other assets	14,004		-		14,004
<b>\$</b>	<b>3,477,972</b>	<b>P -</b>	<b>398,535</b>	<b>-</b>	<b>3,876,507</b>

Adjustments for construction in progress are to adjust for assets that were completed during the year and to reclassify the \$132,799 against the grant from Department of Health for construction cost.

6. PROMISSORY NOTE

A promissory note was established on June 30, 2018, with the original amount of \$691,083 with 4% interest per annum on the unpaid balance. This note was paid off and the accrued interest has been forgiven.

7. CONCENTRATIONS OF REVENUE AND SIGNIFICANT FUNDING SOURCES

The Institutes had revenue received from donors without restrictions and from donors with restrictions, The funds are received in advance with cost reports submitted indicating the funds that were used. Any funds not used by year end are carried over to the next fiscal year. The funds are as follows:

Funds received with donor restrictions

	Budget Original and Amended	Amounts Expended and Submitted on Cost Reports		Deferred funds with donor restrictions
		Prior Year	Current Year	
Louisiana Department of Health	\$3,500,000	-	(132,799)	3,367,201
	<u>\$3,500,000</u>	<u>-</u>	<u>(132,799)</u>	<u>3,367,201</u>

LOUISIANA LEADERSHIP INSTITUTE  
 Baton Rouge, Louisiana  
 Notes to Financial Statements (Continued)

8.. COOPERATIVE ENDEAVOR AGREEMENTS

The institute has prepared a quarterly cost report documenting the expenses associated with the grant in accordance with the budget of the agreement. The information regarding the budget is as follows:

The agreement period began July 1, 2023, and ends on June 30, 2025. The period ending was later extended to June 30, 2025.

Act 397 Cost reports	Budget		Cost Reports Submitted		
	Original	Amended	Remaining funds as of 30-Jun-24	6302024	Remaining funds as of 6/30/2025
Salaries	\$ 507,300	309,189	106,205	106,205	-
Related benefits	38,810	24,663	9,135	9,135	-
Travel	150,000				
Advertising	10,000	8,250	1,500	1,500	-
Printing	1,000	607	384	384	-
Insurance	100,000	112,163	21,833	21,833	-
Maintenance of Equipment	50,000	42,887			-
Maintenance of Office and Grounds	48,770	1,886	1,886	1,886	-
Rentals	10,000				-
Software licensing	5,000				-
Dues and subscriptions	5,000				-
Telephone and internet service	30,000	22,818	1,584	1,584	-
Postage	2,000	106			-
Utilities	60,000	30,782	2,820	2,820	-
Other		-			-
Other supplies	20,000	14,683	4,263	4,263	-
Professional and contract services	127,120	130,156	10,513	10,513	-
Other charges	210,000	463,647	268,565	268,565	-
Acquisitions & Major Repairs	125,000	338,163	321,312	321,312	-
	<u>\$ 1,500,000</u>	<u>1,500,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>

The Cost Reports prepared for the above acts are on a basis other than GAAP, The Cost Report is reported on a cash basis of accounting while the GAAP basis is an accrual method of accounting.

.Act 397 of 2023, State Aid to Local Government Entities CEA # 24-945-83 for the period July 1, 2023 – June 30, 2025. This year the grant remitted \$750,000 in advance and will remit the remaining \$750,000 after the cost have been incurred. A cost report was submitted after the year ended and the grantor remitted the remaining balance. The funds objectives are to provide students with educational resources to technology, computer service, academic tutoring, and STEM for students on the institutes website, to offer classes to educate the youth of Baton Rouge about various topics such as; politics, current events, public speaking, interpersonal skills, STEM, and much more, and to provide students with recreational and performing arts programs focused on teamwork, discipline, performing arts education, music fundamentals, and sportsmanship.

The agreement period began July 1, 2024, and ends on June 30, 2025. The period ending was later extended to June 30, 2025.

LOUISIANA LEADERSHIP INSTITUTE  
 Baton Rouge, Louisiana  
 Notes to Financial Statements (Continued)

Act 776 Cost reports	Budget		Cost Reports Submitted	
	Original	Amended	6302025	Remaining funds as of 6/30/2025
Salaries	\$ 363,600	364,120	271,681	92,439
Related benefits	27,817	27,855	20,784	7,071
Travel	-			
Advertising	10,000	9,384	7,384	2,000
Printing	2,500	3,661	3,661	-
Insurance	150,000	170,187	31,853	138,334
Maintenance of Equipment	50,000	14,754	14,754	-
Maintenance of Office and Grounds	50,163	35,847	35,132	715
Rentals	5,000			-
Software licensing	10,000			-
Dues and subscriptions	5,000	4,803	3,500	1,303
Telephone and internet service	15,000	10,772	9,647	1,125
Postage	2,100	15	15	-
Utilities	71,000	39,873	36,332	3,541
Other			-	-
Other supplies	15,000	5,929	5,842	87
Professional and contract services	170,820	67,685	65,935	1,750
Other charges	202,000	621,534	516,919	104,615
Acquisitions & Major Repairs	350,000	123,581	101,561	22,020
	<u>\$ 1,500,000</u>	<u>1,500,000</u>	<u>1,125,000</u>	<u>375,000</u>

**Act 776** of 2025, State Aid to Local Government Entities CEA # 25-945-193 for the period July 1, 2024 – June 30, 2025. This grant is for a total of \$1,500,000, with the 50% of the first payment made in advance and the remaining amount, two more 25% advance will be remitted provided the progress and/or completion of the services are to the reasonable satisfaction of the State. The grants objectives are to provide students with educational resources to technology, computer service, academic tutoring, and STEM for students on the Institutes website, to offer classes to educate the youth of Baton Rouge about various topics such as; politics, current events, public speaking, interpersonal skills, STEM, and much more, and to provide students with recreational and performing arts programs focused on teamwork, discipline, performing arts education, music fundamentals, and sportsmanship.

The Cost Reports prepared for the above acts are on a basis other than GAAP, The Cost Report is reported in the fiscal year they are submitted. All costs incurred were during the fiscal year June 30, 2025. The final cost report submitted was after the fiscal year.

**Louisiana Department of Health** is a corporate endeavor agreement to erect an outdoor fitness Hub and to provide STEM-based literacy to students with a focus on fostering new self-management and leadership skills that can be used in practical ways.

9. LIQUIDITY AND AVAILABILITY

The following represents the financial assets as of June 30, 2025:

Financial assets at year end	
Cash and cash equivalents	\$ 283,617
Certificate of deposits	2,505,000
Accrued interest	18,257
Investments	<u>1,806,072</u>
Financial assets available to meet expenditures over the next twelve months	<u>\$ 4,612,946</u>

As part of the liquidity plan, extra cash is invested in equity securities and made available for operating requirements within three days.

10. Date of Management review

The Board has evaluated subsequent events for potential recognition of disclosure in the financial statements through December 29, 2025, the date which the financial statements were available to be issued.

11. Other Commitments

There were no reportable commitments for this report.

**OTHER SUPPLEMENTAL INFORMATION AND REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

LOUISIANA LEADERSHIP INSTITUTE

Schedule of Compensation, Benefits and Other Payments  
To Executive Director

For the year ended June 30, 2025

	Sherman Ruth	Alvarez Hertzock III
Salaries	\$ 75,000	\$ 87,000
Benefits	-	-
	<u>\$ 75,000</u>	<u>\$ 87,000</u>

LOUISIANA LEADERSHIP INSTITUTE.  
SCHEDULE OF FINDINGS AND QUESTIONED COST  
FOR THE YEAR ENDED JUNE 30, 2025

**Section I - Summary of Auditor's Results**

**Financial statements**

Type of auditor's report issued

Unmodified

System of internal control over financial reporting:

-Material weakness(es) identified?

\_\_\_\_\_ yes   x   no

-Significant deficiency(ies) identified?

\_\_ \_\_ yes   x   no

-Noncompliance material to financial statements?

\_\_\_\_\_ yes   x   no

Was a management letter issued

\_\_\_\_\_ yes   x   no

**State Financial Assistance – None**

**Section II - Financial Statements Findings**

Statement of Findings and Questionable Cost for the Fiscal year ended June 30, 2025

**Current year findings – none**

LOUISIANA LEADERSHIP INSTITUTE.  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024

None