

LOUISIANA CLEAN ENERGY FUND

DECEMBER 31, 2025 AND 2024

BATON ROUGE, LOUISIANA

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Independent Auditor's Report

To the Board of Directors
Louisiana Clean Energy Fund
Baton Rouge, Louisiana

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Louisiana Clean Energy Fund (LCEF), which comprise the Statements of Financial Position as of December 31, 2025 and 2024, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Louisiana Clean Energy Fund as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LCEF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 LCEF's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of federal expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of LCEF's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LCEF's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LCEF's internal control over financial reporting and compliance.

Respectfully submitted,

Hannis T. Bourgeois, CPA

Baton Rouge, Louisiana
June 29, 2026

LOUISIANA CLEAN ENERGY FUND

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 312,658	\$ 534,155
Restricted cash and cash equivalents	5,022,463	-
Grants receivable	472,500	424,344
Note receivable	<u>173,162</u>	<u>-</u>
Total assets	<u>\$ 5,980,783</u>	<u>\$ 958,499</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 451,468	\$ 527,568
Due to Baton Rouge Area Foundation (BRAAF)	76,948	136,975
Deferred revenue	<u>123,052</u>	<u>-</u>
Total current liabilities	651,468	664,543
NONCURRENT LIABILITIES:		
Loan payable, net of unamortized debt issuance costs	<u>4,977,329</u>	<u>-</u>
Total liabilities	<u>5,628,797</u>	<u>664,543</u>
NET ASSETS:		
Without donor restrictions:		
Undesignated	<u>351,986</u>	<u>293,956</u>
Total net assets	<u>351,986</u>	<u>293,956</u>
Total liabilities and net assets	<u>\$ 5,980,783</u>	<u>\$ 958,499</u>

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

LOUISIANA CLEAN ENERGY FUND

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Without Donor Restrictions</u>
REVENUE AND SUPPORT:	
Grant, contributions, and program income	\$ 3,227,085
Interest income	<u>24,439</u>
Total revenue and support	<u>3,251,524</u>
 EXPENSES:	
Program services	3,189,344
Supporting services:	
Management and general	<u>4,150</u>
Total expenses	<u>3,193,494</u>
 CHANGE IN NET ASSETS	58,030
Net assets - beginning of year	<u>293,956</u>
Net assets - end of year	<u><u>\$ 351,986</u></u>

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

LOUISIANA CLEAN ENERGY FUND

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>
REVENUE AND SUPPORT:	
Grant, contributions, and program income	\$ 1,361,689
Support from Baton Rouge Area Foundation - in-kind	74,211
Interest income	<u>9,828</u>
Total revenue and support	<u>1,445,728</u>
EXPENSES:	
Program services	1,149,126
Supporting services:	
Management and general	<u>2,646</u>
Total expenses	<u>1,151,772</u>
CHANGE IN NET ASSETS	293,956
Net assets - beginning of year	<u>-</u>
Net assets - end of year	<u><u>\$ 293,956</u></u>

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

LOUISIANA CLEAN ENERGY FUND

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services	Supporting Services Management and General	Total
Professional services	\$ 3,127,490	\$ -	\$ 3,127,490
Salaries and wages, employee benefits, and payroll taxes	34,525	-	34,525
Travel and meetings	-	3,093	3,093
Technology	-	252	252
Insurance	-	805	805
Interest	22,746	-	22,746
Amortization	4,583	-	4,583
Total expenses	<u>\$ 3,189,344</u>	<u>\$ 4,150</u>	<u>\$ 3,193,494</u>

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

LOUISIANA CLEAN ENERGY FUND

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services Management and General	Total
Professional services	\$ 1,074,915	\$ 15	\$ 1,074,930
Professional services - in-kind	74,211	-	74,211
Travel and meetings	-	945	945
Printing	-	396	396
Technology	-	413	413
Insurance	-	805	805
Banking and other processing fees	-	72	72
Total expenses	<u>\$ 1,149,126</u>	<u>\$ 2,646</u>	<u>\$ 1,151,772</u>

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

LOUISIANA CLEAN ENERGY FUND

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 58,030	\$ 293,956
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Non-cash accrued interest expense	22,746	-
Amortization of deferred loan cost	4,583	-
Decrease (increase) in note receivable	(173,162)	-
Decrease (increase) in grants receivable	(48,156)	(111,689)
Increase (decrease) in due to Baton Rouge Area Foundation	(60,027)	(175,680)
Increase (decrease) in deferred revenue	123,052	-
Increase (decrease) in accounts payable	<u>(76,100)</u>	<u>527,568</u>
Net cash provided by (used in) operating activities	<u>(149,034)</u>	<u>534,155</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of loan payable	5,000,000	-
Payments for debt issuance costs	<u>(50,000)</u>	<u>-</u>
Net cash provided by financing activities	<u>4,950,000</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,800,966	534,155
Cash and cash equivalents - beginning of year	<u>534,155</u>	<u>-</u>
Cash and cash equivalents - end of year	<u><u>\$ 5,335,121</u></u>	<u><u>\$ 534,155</u></u>
Recap of Cash:		
Cash and cash equivalents	\$ 312,658	\$ 534,155
Restricted cash and cash equivalents	<u>5,022,463</u>	<u>-</u>
	<u><u>\$ 5,335,121</u></u>	<u><u>\$ 534,155</u></u>
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING ACTIVITIES:		
Assumption of note receivable	<u><u>\$ 173,162</u></u>	<u><u>\$ -</u></u>

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

LOUISIANA CLEAN ENERGY FUND
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Summary of Significant Accounting Policies and Nature of Activities

Organization and nature of activities

Louisiana Clean Energy Fund (LCEF) was organized on April 3, 2023, as a non-profit corporation to provide financial and technical assistance to the State of Louisiana in its pursuit of public and private funding necessary to achieve goals for clean energy projects that enhance the well-being of Louisiana citizens and residents.

LCEF is considered a supporting organization of the Baton Rouge Area Foundation (BRAAF) (a related party).

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation

LCEF is required to report information regarding their financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets with donor restrictions can be restricted for purpose, restricted for time, or restricted in perpetuity. These net assets classifications are described as follows:

Without donor restrictions: Net assets available to use in general operations and not subject to donor restrictions.

With donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. LCEF did not have any net assets with donor restrictions at either December 31, 2025 or 2024.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and such differences may be material.

Revenue recognition

The significant revenues of LCEF are grant, contributions, and program income.

Note 1 - Summary of Significant Accounting Policies (Continued)

Contributions are discussed below. Grants which represent exchange transactions are recorded as a receivable as the grant dollars are spent. Generally, any grants which represent contributed support are recognized in the same manner as contributions. Generally, any payments received in advance from these sources are deferred and recognized as revenues in the period when the underlying performance obligation is satisfied.

Contributions

LCEF recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value for the amounts expected to be collected. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. All contributions are considered available without donor restrictions unless specifically restricted by the donor.

Contributed services

LCEF recognizes contribution revenue for certain services received at the estimated fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation.

Cash and Cash Equivalents

Generally, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents for the purposes of the statement of cash flows.

On February 3, 2025, LCEF received \$5 million in cash under a loan agreement with the Coalition for Green Capital to administer the National Clean Investment Fund (NCIF) program. These federal funds, provided through the U.S. Environmental Protection Agency, are designated to finance energy efficiency and clean energy improvements, with all principal and interest repayments reinvested into the revolving loan fund. As of December 31, 2025, cash deposits include \$5,022,463 related to the NCIF program including funds available to lend to qualified applicants under this program. These amounts are included in restricted cash and cash equivalents in the accompanying statements of financial position.

Investments

During 2024, LCEF participated in the investment pools managed by BRAF. As of and during the year ended December 31, 2024, all investments held by LCEF were in the money market investment pool of BRAF and are shown in Cash and cash equivalents in these financial statements. As of December 31, 2025, LCEF is no longer participating in the investment pool managed by BRAF.

Receivables

LCEF assesses the collectability of their accounts receivables using the direct write-off method. Under this method, receivables are charged directly against earnings when they are determined by management to be uncollectible. Use of this method does not result in a material difference from the current expected credit loss (CECL) method (ASC Topic 326). There was no credit loss expense for the years ended December 31, 2025 and 2024.

Note 1 - Summary of Significant Accounting Policies (Continued)

In accordance with ASC Topic 606, Revenue from Contracts with Customers, Grants Receivable totaled \$312,655 as of December 31, 2023.

Deferred Revenue

Deferred Revenue consists of funds advanced by various government or private sources where conditions of recognition have not been met as of year-end and the agreement(s) contain a right of return provision.

Deferred financing costs

Debt issuance costs related to loan payable are deferred and amortized over the term of the respective loan payable to interest expense. Deferred financing costs associated with term debt are netted against the corresponding liability on the statements of financial position.

Functional expense allocation

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses are recorded directly in the program service or management and general classification in which they were incurred. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of LCEF.

Leases

LCEF accounts for leases in accordance with Accounting Standards Codification (ASC) Topic 842, Leases. This guidance requires that right-of-use (ROU) assets and lease liabilities be recorded on the statement of financial position. LCEF determines if an arrangement is a lease at inception, and leases are then classified as either operating or finance leases depending on the characteristics of the lease. Right-of-use (ROU) assets represent LCEF's right to control the use of a specified asset for the lease term, and lease liabilities represent LCEF's obligation to make lease payments arising from the lease. LCEF had no operating or finance leases as of December 31, 2025 and 2024.

LCEF does not recognize lease assets and lease liabilities on short-term leases (leases with an initial term of 12 months or less at commencement date and does not include an option to purchase the underlying asset that LCEF is reasonably certain to exercise) but instead records lease expense on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred.

Income tax status

LCEF is a not-for-profit organization that has qualified as a public charity under sections 501(c)(3) and 509(a)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made, however, should LCEF engage in activities unrelated to the purpose for which it was created, taxable income and related taxes could result.

LCEF files income taxes in the U.S. federal jurisdiction. LCEF is subject to federal income tax examinations by tax authorities since its inception in 2023. Any interest and penalties assessed by income taxing authorities are not significant and would be included in general and administrative expenses in these financial statements, as applicable.

Note 1 - Summary of Significant Accounting Policies (Continued)

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, LCEF may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There was no unrecognized tax benefits identified or recorded as liabilities for the years ended December 31, 2025 and 2024.

Reclassifications

Certain items in the 2024 report may have been reclassified to conform to the presentation in the current year financial statements. Such reclassifications had no effect on previously reported change in net assets.

Note 2 - Liquidity and Availability

LCEF's financial assets available within one year of the statement of financial position date for general expenses at December 31, 2025 and 2024 consist of the following:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 312,658	\$ 534,155
Grants receivable	472,500	424,344
Note receivable	173,162	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 958,320</u>	<u>\$ 958,499</u>

LCEF has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 3 - In-Kind Contributions

For the years ended December 31, 2025, and 2024, LCEF received \$-0- and \$74,211, respectively of in-kind contributions related to invoices for professional services paid by BRAF. The total value of these in-kind contributions has been recognized as revenue in the statement of activities and as professional services expense in the statement of functional expenses. The value of the in-kind contributions was determined based on the actual amounts paid by BRAF to the vendors, which approximates fair value of the services.

Note 4 - Note Receivable

Effective November 21, 2025, LCEF assumed a noninterest bearing note receivable with a local nonprofit under an Assignment and Assumption Agreement from BRAF. The note receivable is secured by pledged Louisiana State Capital Outlay funding. As of December 31, 2025, management evaluated the collectability of the note receivable and concluded that the expected credit loss was not material; accordingly, no allowance for credit losses was recorded. The outstanding balance on the note receivable was \$173,162 as of December 31, 2025. Subsequent to year end and prior to the issuance of the financial statements, the note receivable was fully collected in 2026.

Note 5 - Loan Payable

On February 3, 2025, LCEF entered into a loan facility with Coalition for Green Capital in the amount of \$5,000,000 to provide stakeholder access to clean energy products, technologies, and services. The agreement includes various covenants and compliance requirements, including adherence to federal regulations and programmatic conditions related to the deployment of funds and reporting.

As of December 31, 2025, no loan proceeds had been deployed to qualified applicants and the loan is classified as long-term debt. The facility bears interest at a stated rate of 0.50% per year. As of December 31, 2025, accrued interest of \$22,746 is included in loan payable, net of unamortized debt issuance costs, with a corresponding amount recognized as interest expense in these financial statements. The loan matures on February 3, 2035, when all outstanding principal and accrued and unpaid interest becomes due.

As of December 31, 2025, unamortized deferred loan costs totaled \$45,417 and are reflected as a reduction of the loan payable. Amortization of deferred financing costs included in interest expense for the year ended December 31, 2025 was \$4,583.

Note 6 - Concentrations of Credit Risk

LCEF deposits its cash in a national financial institution and at times the account balance may exceed the federally insured limit.

In addition, as part of LCEF's investment in BRAF's investment pool at December 31, 2024, a portion was held in cash money market funds which may periodically be in excess of FDIC insurance limits. Amounts in excess of this limit are not insured or guaranteed by the FDIC. As of December 31, 2025, LCEF is no longer participating in the investment pool managed by BRAF.

Note 7 - Concentrations

LCEF entered into a grant agreement with the State of Louisiana. LCEF received approximately 78% and 29% of its funding for the years ended December 31, 2025 and 2024, respectively, from this agreement. The continuation of the agreement is contingent upon the appropriation of funds by the Louisiana Legislature. If the legislature fails to appropriate sufficient funds or if the appropriation is reduced to provide insufficient monies for the continuation of the agreement, the agreement shall terminate on the date of the beginning of the fiscal year for which funds are not appropriated. See Note 9 for the termination notice for this grant agreement.

Note 8 - Related Parties

Effective January 1, 2025, LCEF entered into an Employee Sharing Agreement with BRAF. The fee is based upon the agreed hourly rates set forth in the agreement and are payable in monthly installments. During the year ended December 31, 2025, the fee for these services under this agreement was \$249,470 which is included in professional services expenses in these financial statements. At December 31, 2025, LCEF owed BRAF \$76,948 for services.

During 2024, LCEF utilized facilities and personnel of BRAF for administrative assistance. At December 31, 2024, LCEF owed BRAF \$136,975 for professional services paid by BRAF on behalf of LCEF.

Note 9 - Louisiana Solar for Y'all Grant Termination Notice

On August 7, 2025, LCEF received a termination notice from the State of Louisiana Department of Conservation and Energy for the Louisiana Solar for Y'all grant. The State of Louisiana awarded the \$20,006,066, five-year grant to LCEF to provide financial and technical assistance for solar projects that benefit low-income and disadvantaged communities in Louisiana. As a result of the termination notice, LCEF no longer has access to the remaining Solar for Y'all grant funds in the future. To mitigate the effects of the termination, LCEF is pursuing additional fundraising efforts and programs.

Note 10 - Compensation, Benefits, and Other Payments to Agency Head

President, Chris Meyer, did not receive any compensation that was paid from public funds for the years ended December 31, 2025 and 2024.

Note 11 - Subsequent Events

Subsequent to year end, the Board of Directors approved a change to LCEF's legal name from Louisiana Clean Energy Fund to Pelican Community Capital. As of the date of these financial statements, the name change is in process. Also, LCEF initiated the process to obtain authorization as a Community Development Financial Institution (CDFI). This designation, once finalized, is expected to expand LCEF's ability to receive and govern certain types of contributions or government funds but does not change its underlying not-for-profit nature or its reporting entity for financial statement purposes.

Subsequent to year end, LCEF received a grant of \$3 million from BRAF to serve as seed capital for LCEF's impact investing platform discussed above.

LCEF evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 29, 2026, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

LOUISIANA CLEAN ENERGY FUND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Grantor and Number</u>	<u>Passed-through to Subrecipients</u>	<u>Federal Expenditures</u>
United States Environmental Protection Agency				
Greenhouse Gas Reduction Fund: Solar for All	66.959	Louisiana Department of Conservation and Energy	\$ -	\$2,519,998
<i>Total United States Environmental Protection Agency</i>				\$2,519,998
United States Department of Energy				
State Energy Program - SARC	81.041	Louisiana Department of Conservation and Energy DE-SE0001881	-	\$222,500
State Energy Program - SARC	81.041	Louisiana Department of Conservation and Energy DE-EE0010075 (IIJA/BIL)	-	\$250,000
<i>Total United States Department of Energy</i>			-	\$472,500
<i>Total Expenditures of Federal Awards</i>			\$ -	\$ 2,992,498

See independent auditor's report.

LOUISIANA CLEAN ENERGY FUND

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2025

Note A - Significant Accounting Policies -

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Louisiana Clean Energy Fund and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*.

Note B - Indirect Cost Election -

LCEF did elect to use the 10% de minimis indirect cost rate for the major program and did not elect to use the 10% de minimis rate to the other programs during the year ended December 31, 2025.



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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
Louisiana Clean Energy Fund
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Clean Energy Fund (LCEF), which comprise the statement of financial position as of December 31, 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 June 29, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered LCEF's internal control over financial reporting (internal control) as a basis for designing 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 LCEF's internal control. Accordingly, we do not express an opinion on the effectiveness of LCEF's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LCEF's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LCEF's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, the Office of the Louisiana Legislative Auditor and any cognizant agency and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document and its distribution is not limited.

Respectfully submitted,

Hannis T. Bourgeois, CPA

Baton Rouge, Louisiana
June 29, 2026



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Independent Auditor's Report on Compliance
for Each Major Federal Program and Report on
Internal Control Over Compliance
in Accordance with the Uniform Guidance

To the Board of Directors
Louisiana Clean Energy Fund
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Louisiana Clean Energy Fund's (LCEF) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of LCEF's major federal programs for the year ended December 31, 2025. LCEF's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, LCEF complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of LCEF and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of LCEF's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to LCEF's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on LCEF's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about LCEF's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding LCEF's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of LCEF's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of LCEF's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,

Hannis T. Bourgeois, CPA

Baton Rouge, Louisiana
June 29, 2026

LOUISIANA CLEAN ENERGY FUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2025

(1) Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified.

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516 (a) of the Uniform Guidance?

_____ Yes X No

Identification of major programs:

Federal Grantor/ Pass - Through Grantor/ Program Name	Assistance Listing Number
United States Environmental Protection Agency Passed-Through Louisiana Department of Conservation and Energy: Greenhouse Gas Reduction Fund: Solar for All	66.959

- The threshold for distinguishing types A & B programs was \$1,000,000.
- LCEF was determined to be a high-risk auditee, in accordance with 2 CFR 200.520.

LOUISIANA CLEAN ENERGY FUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

(2) Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*:

None

(3) Findings Relating to Compliance and Other Matters:

None

(4) Findings and Questioned Cost Related to Federal Awards:

None

LOUISIANA CLEAN ENERGY FUND

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

- * The prior year audit was conducted in accordance with *Government Auditing Standards*. The prior year federal awards expended did not exceed the threshold required for conducting an audit under the *Uniform Guidance*.

None.

LOUISIANA CLEAN ENERGY FUND

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

JANUARY 1, 2025 THROUGH DECEMBER 31, 2025

BATON ROUGE, LOUISIANA



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Independent Accountant's Report
on Applying Agreed-Upon Procedures
for the Year Ended December 31, 2025

To the Board of Directors
Louisiana Clean Energy Fund
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 January 1, 2025 through December 31, 2025. Louisiana Clean Energy Fund's (LCEF) management is responsible for those C/C areas identified in the SAUPs.

LCEF 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 January 1, 2025 through December 31, 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. - **No exceptions.**
 - 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. - **No exceptions.**
 - iii. ***Disbursements***, including processing, reviewing, and approving. - **No exceptions.**

- 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). - **No exceptions.**
- 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. - **No exceptions.**
- 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. - **No exceptions.**
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. - **No exceptions.**
- 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). - **No exceptions.**
- 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. - **Not applicable.**
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. - **Not applicable.**
- 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. - **No exceptions.**
- 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. - **Not applicable.**

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.**
 - ii. For those entities reporting on the non-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period. - **No exceptions.**
 - 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. - **There was no evidence in the minutes observed that the board/finance committee received written updates of the progress of resolving statewide agreed-upon procedure findings.**

Management's Response/Corrective Action - LCEF has reviewed the finding and plans to begin providing written updates to the board/finance committee of the progress of resolving the statewide agreed-upon procedure findings until they are considered fully resolved.

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:
- 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); - **We obtained the bank reconciliations for the randomly selected month noting it was prepared by LCEF. However, one of the bank reconciliations was not prepared within 2 months of the related statement closing date.**

Management's Response/Corrective Action - LCEF has reviewed the finding and plans to begin preparing all bank reconciliations within 2 months of the related statement closing date.

- 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 or electronically logged); and - **No exceptions.**

- 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. - **Not applicable. No outstanding items over 12 months.**

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). - **No exceptions.**
- 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
 - i. Employees responsible for cash collections do not share cash drawers/register; - **No exceptions.**
 - 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.**
 - 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.**
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation. - **No exceptions.**
- 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.**
- 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.**
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. - **No exceptions.**
 - iii. Trace the deposit slip total to the actual deposit per the bank statement. - **No exceptions.**
 - 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.**

v. Trace the actual deposit per the bank statement to the general ledger. - **No exceptions.**

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). - **No exceptions.**
- 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.**
 - ii. At least two employees are involved in processing and approving payments to vendors; - **No exceptions.**
 - 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.**
 - 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.**
 - 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.**
- 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.**
 - 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.**
- 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.**

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. - **Not applicable - no credit cards/debit cards/fuel cards/purchase cards were used by LCEF during the fiscal period.**
- 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., itemized 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 - **Not applicable - no credit cards/debit cards/fuel cards/purchase cards were used by LCEF during the fiscal period.**
 - ii. Observe that finance charges and late fees were not assessed on the selected statements. - **Not applicable - no credit cards/debit cards/fuel cards/purchase cards were used by LCEF during the fiscal period.**
- 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. **Not applicable - no credit cards/debit cards/fuel cards/purchase cards were used by LCEF during the fiscal period.**
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed. - **Not applicable - no terminations and no credit cards/debit cards/fuel cards/purchase cards were used by LCEF during the fiscal period.**

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
- 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 (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov). - **No exceptions.**
 - If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased; - **No exceptions.**
 - 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.**
 - Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. - **No exceptions.**

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
- 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; - **No contracts subject to the Louisiana Public Bid Law or Procurement Code.**
 - Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter); - **Not applicable.**
 - 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.**
 - 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.**

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. - **No exceptions.**

- 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.**
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials; - **No exceptions.**
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and - **No exceptions.**
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file. - **No exceptions.**
- 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. - **Not applicable - no terminations during the fiscal year.**
- 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) have been paid, and any associated forms have been filed, by required deadlines. - **No exceptions.**

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 - **Not applicable.**
 - 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. - **Not applicable.**
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170. - **Not applicable.**

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. - **None 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.**

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 Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network. - **Not applicable -no terminated employees during the fiscal period.**
- 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: - **Not applicable.**
- 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.

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. - **Not applicable.**
- 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). - **Not applicable.**
- 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: - **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 LCEF 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 LCEF 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.

Respectfully submitted,

Hannis T. Bourgeois, CPA

Baton Rouge, Louisiana
June 29, 2026