

**GLENCOE EDUCATION FOUNDATION, INC.**  
Franklin, Louisiana

Financial Report

Years Ended June 30, 2022 and 2021

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6 - 7
Statements of Functional Expenses	8
Statements of Cash Flows	9
Notes to the Financial Statements	10 - 22
SUPPLEMENTARY INFORMATION	
Schedule of the Governing Board (Unaudited)	24
Schedule of Insurance in Force (Unaudited)	25 - 26
Schedule of Compensation, Benefits, and Other Payments to Agency Head	27
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29 - 30
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with <i>Uniform Guidance</i>	31 - 33
Schedule of Expenditures of Federal Awards	34
Notes to the Schedule of Expenditures of Federal Awards	35
Summary Schedule of Prior Year Findings	36
Schedule of Findings and Questioned Costs	37 - 38
Management's Corrective Action Plan for Current Year Findings	39
Independent Accountant's Report on Applying Agreed-upon Procedures Schedules Required by Louisiana Law R.S. 24:514 - Performance and Statistical Data	40 - 42
Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	43
Schedule 2 - Class Size Characteristics	44



1201 Brashear Avenue, Suite 301  
Morgan City, LA 70380

P 985-384-6264  
F 985-384-8140

DSFCPAS.COM

OTHER LOCATIONS:  
Lafayette Eunice Abbeville

**DARNALL SIKES  
& FREDERICK**  
A CORPORATION OF CERTIFIED  
PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Glencoe Education Foundation, Inc.  
Franklin, Louisiana

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

#### ***Opinion***

We have audited the accompanying financial statements of Glencoe Education Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 financial statements present fairly, in all material respects, the financial position of Glencoe Education Foundation, Inc. (the Foundation) as of June 30, 2022 and 2021, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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.

#### ***Change in Accounting Principle***

As described in Note 8 to the financial statements, in 2022, the Foundation adopted new accounting guidance, ASU 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 the Foundation'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 that collectively comprise the Foundation's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 our opinion, the schedule of compensation, benefits, and other payments to agency head and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedule of the governing board and the schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation'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 Foundation's internal control over financial reporting and compliance.

***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

November 28, 2022

## **FINANCIAL STATEMENTS**

GLENCOE EDUCATION FOUNDATION, INC.

Statements of Financial Position  
June 30, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 2,153,778	\$ 2,242,418
Certificates of deposit	17,764	17,711
Grants receivable	378,989	221,590
Other receivables	700	1,068
Prepaid items	<u>59,969</u>	<u>58,756</u>
Total current assets	2,611,200	2,541,543
<b>PROPERTY AND EQUIPMENT, NET</b>	3,292,457	3,353,233
<b>OPERATING LEASE RIGHT-OF-USE ASSET</b>	51,621	73,597
<b>OTHER ASSETS</b>		
Assets restricted to payment of long-term debt:		
Cash and certificates of deposit	<u>99,924</u>	<u>99,924</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 6,055,202</b></u>	<u><b>\$ 6,068,297</b></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 68,952	\$ 60,412
Accrued salaries payable	321,946	303,171
Other accrued liabilities	30,366	214,488
Accrued compensated absences payable	67,288	63,719
Current portion of operating lease liabilities	22,580	21,976
Current portion of long-term debt	<u>56,241</u>	<u>91,451</u>
Total current liabilities	567,373	755,217
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	968,305	1,028,134
Operating lease liabilities, net of current portion	<u>29,041</u>	<u>51,621</u>
Total long-term liabilities	<u>997,346</u>	<u>1,079,755</u>
Total liabilities	1,564,719	1,834,972
<b>NET ASSETS</b>		
Without donor restrictions		
Available for operations	2,206,139	1,964,728
Invested in property and equipment, net of related debt	<u>2,267,911</u>	<u>2,233,648</u>
	4,474,050	4,198,376
With donor restrictions	<u>16,433</u>	<u>34,949</u>
Total net assets	<u>4,490,483</u>	<u>4,233,325</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 6,055,202</b></u>	<u><b>\$ 6,068,297</b></u>

The accompanying notes are an integral part of this statement.

GLENCOE EDUCATION FOUNDATION, INC.

Statements of Activities  
Years Ended June 30, 2022 and 2021

	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND SUPPORT		
Minimum Foundation Program	\$ 4,131,160	\$ 3,977,888
Food services	10,162	6,727
Tuition	39,891	-
Contributions	24,890	180
Other unrestricted grants	20,012	-
Miscellaneous	145,334	56,249
Interest income	<u>1,496</u>	<u>1,763</u>
Total revenues and support without donor restrictions	4,372,945	4,042,807
Net assets released from donor restrictions	<u>1,315,092</u>	<u>908,811</u>
TOTAL REVENUES, SUPPORT AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	5,688,037	4,951,618
EXPENSES		
Instruction:		
Regular programs	2,965,874	2,328,530
Special education	135,007	162,626
Special programs	196,264	193,573
Career and technical education	98,070	33,899
Support services:		
Pupil support	144,124	139,213
Instructional staff	91,581	39,157
General administration	67,346	39,482
School administration	364,137	330,245
Business services	186,134	178,223
Plant services	343,839	309,003
Student transportation services	207,179	162,422
Non-instructional:		
Food services	387,619	350,147
Debt service:		
Interest and bank charges	44,410	48,798
Depreciation	<u>215,728</u>	<u>209,919</u>
TOTAL EXPENSES	<u>5,447,312</u>	<u>4,525,237</u>
Increase in net assets without donor restrictions	240,725	426,381

The accompanying notes are an integral part of this statement.



	<u>2022</u>	<u>2021</u>
NET ASSETS WITH DONOR RESTRICTIONS		
REVENUES AND SUPPORT		
Federal grants:		
Carl D. Perkins Secondary	6,873	10,746
Emergency Connectivity Fund Program	78,875	-
Rural Education Achievement Program	30,227	38,686
FEMA Disaster Relief	-	909
IDEA - Part B	75,126	65,352
National School Lunch Program	346,277	317,723
Elementary and Secondary School Emergency Relief (ESSERF)	426,812	151,040
Government Emergency Education Relief Fund (GEERF)	-	10,019
Title I Grants to Local Educational Agencies	168,280	153,953
Title II Supporting Effective Instruction State Grants	20,595	19,190
Title IV Safe and Drug Free Schools	9,850	10,202
Other	3,931	1,727
State grants:		
Pre-K	137,400	139,232
Other	<u>27,279</u>	<u>24,981</u>
TOTAL REVENUES AND SUPPORT WITH DONOR RESTRICTIONS	1,331,525	943,760
Net assets released from donor restrictions	<u>(1,315,092)</u>	<u>(908,811)</u>
Change in net assets with donor restrictions	<u>16,433</u>	<u>34,949</u>
CHANGE IN NET ASSETS	257,158	461,330
NET ASSETS AT BEGINNING OF YEAR	<u>4,233,325</u>	<u>3,771,995</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,490,483</u>	<u>\$ 4,233,325</u>

The accompanying notes are an integral part of this statement.

GLENCOE EDUCATION FOUNDATION, INC.

Statements of Functional Expenses  
Years Ended June 30, 2022 and 2021

	Instruction				Support Services			Support Services			Non-instructional			Total
	Regular Programs	Special Education	Special Programs	Career and Technical Education	Pupil Support	Instructional Staff	General Administration	School Administration	Business Services	Plant Services	Student Transportation Services	Food Services	Debt Service	
2022														
Salary	\$ 1,824,335	\$ 77,843	\$ 167,720	\$ 35,192	\$ 23,261	\$ 56,969	\$ -	\$ 226,539	\$ 130,054	\$ 80,221	\$ 105,727	\$ 141,769	\$ -	\$ 2,869,630
Employee benefits	676,898	55,338	28,369	15,336	1,444	20,412	-	82,789	44,751	34,497	-	55,731	-	1,015,565
Professional services	9,138	-	-	-	115,109	-	49,409	4,825	6,659	2,895	-	-	-	188,035
Insurance	-	320	-	-	2,025	-	17,872	-	248	46,690	36,327	5,667	-	109,149
Repairs and maintenance	-	-	-	-	-	-	-	-	-	47,823	31,055	5,565	-	84,443
Energy	-	-	-	-	-	-	-	-	-	58,088	30,700	-	-	88,788
Telephone/postage	-	-	-	-	-	-	-	12,126	290	-	-	-	-	12,416
Disposal services	-	-	-	-	-	-	-	-	-	15,523	-	10,443	-	25,966
Rental of land/equipment	-	-	-	-	-	-	-	10,369	-	21,976	-	4,050	-	36,395
Travel	7,676	358	-	787	-	627	-	1,346	807	-	-	367	-	11,968
Materials and supplies	379,220	1,148	-	35,242	2,173	10,958	-	10,449	746	32,157	2,082	24,830	-	499,005
Food	-	-	-	-	-	-	-	-	-	-	-	130,270	-	130,270
Miscellaneous	68,607	-	175	11,513	112	2,615	65	15,694	2,579	3,969	1,288	8,927	-	115,544
Interest	-	-	-	-	-	-	-	-	-	-	-	-	44,410	44,410
	<u>\$ 2,965,874</u>	<u>\$ 135,007</u>	<u>\$ 196,264</u>	<u>\$ 98,070</u>	<u>\$ 144,124</u>	<u>\$ 91,581</u>	<u>\$ 67,346</u>	<u>\$ 364,137</u>	<u>\$ 186,134</u>	<u>\$ 343,839</u>	<u>\$ 207,179</u>	<u>\$ 387,619</u>	<u>\$ 44,410</u>	<u>\$ 5,231,584</u>
2021														
Salary	\$ 1,515,251	\$ 107,502	\$ 154,327	\$ 24,069	\$ 16,295	\$ 32,548	\$ -	\$ 199,875	\$ 122,432	\$ 62,738	\$ 86,285	\$ 123,222	\$ -	\$ 2,444,544
Employee benefits	597,427	53,749	39,246	9,830	947	6,600	-	78,469	44,286	24,544	-	55,510	-	910,608
Professional services	-	-	-	-	119,741	-	23,353	7,552	8,461	3,074	-	-	-	162,181
Insurance	-	401	-	-	1,751	-	16,015	197	1,356	40,569	29,265	3,885	-	93,439
Repairs and maintenance	-	-	-	-	-	-	-	-	-	65,246	28,414	1,835	-	95,495
Energy	-	-	-	-	-	-	-	-	-	47,954	17,483	-	-	65,437
Telephone/postage	-	-	-	-	-	-	-	12,197	-	-	-	-	-	12,197
Disposal services	-	-	-	-	-	-	-	-	-	11,363	-	7,034	-	18,397
Rental of land/equipment	-	-	-	-	-	-	-	7,663	-	24,000	-	3,999	-	35,662
Travel	-	-	-	-	-	20	-	397	551	-	155	379	-	1,502
Materials and supplies	160,556	974	-	-	314	(11)	-	12,091	373	26,884	338	19,624	-	221,143
Food	-	-	-	-	-	-	-	-	-	-	-	132,513	-	132,513
Miscellaneous	55,296	-	-	-	165	-	114	11,804	764	2,631	482	2,146	-	73,402
Interest	-	-	-	-	-	-	-	-	-	-	-	-	48,798	48,798
	<u>\$ 2,328,530</u>	<u>\$ 162,626</u>	<u>\$ 193,573</u>	<u>\$ 33,899</u>	<u>\$ 139,213</u>	<u>\$ 39,157</u>	<u>\$ 39,482</u>	<u>\$ 330,245</u>	<u>\$ 178,223</u>	<u>\$ 309,003</u>	<u>\$ 162,422</u>	<u>\$ 350,147</u>	<u>\$ 48,798</u>	<u>\$ 4,315,318</u>

The accompanying notes are an integral part of this statement.

GLENCOE EDUCATION FOUNDATION, INC.

Statements of Cash Flows  
Years Ended June 30, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 257,158	\$ 461,330
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	215,728	209,919
(Increase) decrease in-		
Certificates of deposit	(53)	(77)
Grants receivable	(157,399)	(105,125)
Other receivables	368	4,873
Inventory	-	7,662
Prepaid expenses	(1,213)	(25,501)
Increase (decrease) in -		
Accounts payable	8,540	51,243
Accrued salaries payable	18,775	3,792
Other accrued liabilities	(184,122)	194,570
Accrued compensated absences	3,569	3,545
Net cash provided by operating activities	161,351	806,231
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(76,650)	(84,748)
Additions to construction in progress	(78,302)	(35,385)
Net cash used by investing activities	(154,952)	(120,133)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(95,039)	(88,626)
Net cash used by financing activities	(95,039)	(88,626)
Net increase (decrease) in cash	(88,640)	597,472
Cash at beginning of year	2,342,342	1,744,870
Cash at end of year	\$ 2,253,702	\$ 2,342,342
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	\$ 42,386	\$ 48,798
Reconciliation of cash per the statements of cash flows to the statements of financial position:		
Cash at beginning of year:		
Cash	\$ 2,242,418	\$ 1,644,946
Restricted cash	99,924	99,924
Total cash at beginning of year	2,342,342	1,744,870
Cash at end of year:		
Cash	\$ 2,153,778	\$ 2,242,418
Restricted cash	99,924	99,924
Total cash at end of year	2,253,702	2,342,342
Net increase (decrease) in cash	\$ (88,640)	\$ 597,472

The accompanying notes are an integral part of this statement.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Glencoe Education Foundation, Inc. (the Foundation) was founded in 1999 as a nonprofit organization incorporated under the laws of the State of Louisiana. The Foundation is dedicated to providing for and maintaining an optimum learning environment in which all enrolled children are afforded the opportunity to achieve, attain goals and excel as students and as individual citizens of the world. The focus of instruction is child-centered with curricula designed to meet the educational, social, physical, and emotional needs of each learner as a whole person. The Foundation operates Glencoe Charter School, which is an approved Type 2 charter school under Louisiana Revised Statute 17:3991. The school's operations are located in Franklin, Louisiana. Open student enrollment began in August 1999. During its first year of operations (fiscal year ended June 30, 2000), the school had grades kindergarten through fifth. It has since expanded to add a Pre-k program and grades sixth through twelfth. The Foundation is governed by a board of directors and managed by a director.

Income Tax Exemption

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

Basis of Accounting

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

Net Assets without Donor Restrictions – Net assets without donor restrictions are resources available to support operations and not subject to donor or grantor restrictions.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

*Net Assets with Donor Restrictions* - Net assets with donor restrictions are resources that are subject to donor-imposed or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. The Foundation had net assets restricted by donors in the amounts of \$16,433 and \$34,949 June 30, 2022 and 2021, respectively. Restricted amounts represent grant funding to be used for future expenditures.

Revenue Recognition

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

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

Revenue With and Without Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Functional Allocation of Expenses

The statement of activities presents expenses of the Foundation's operations functionally between instruction, support services and non-instructional. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services

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

Receivables

Receivables are stated at the amount management expects to collect. Based on the payment nature of the receivables, management considers all amounts to be collectible; therefore no allowance was considered necessary as of June 30, 2022.

Property and Equipment

All capital assets are capitalized that have a cost or estimated cost of \$5,000 or more. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Depreciation is computed using the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Transportation equipment	5
Furniture and equipment	5 - 20
Buildings and improvements	15 - 40

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

All twelve-month employees earn vacation leave each year based on years of experience. After one year, 10 days are earned; after four years, 11 days are earned; after five years, 13 days are earned; after ten years, 15 days are earned; after fifteen years, 17 days are earned; and after twenty years, 19 days are earned. A maximum of 10 days can be carried to the next year. Upon discharge or final retirement, all unused and/or accrued vacation leave is paid to the employee at the employee's current rate of pay.

Nine-month employees earn 10 days of sick leave each year. Ten-month employees earn 11 days of sick leave each year. Eleven-month employees earn 12 days of sick leave each year. Twelve-month employees earn sick leave based on the number of years of full-time employment with the Foundation. After one year, 12 days are earned; after four years, 15 days are earned; and after ten years, 18 days are earned. Sick leave may be accumulated. No sick leave is paid upon resignation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or the employee's estate at the employee's current rate of pay.

Under the Teachers' Retirement System of Louisiana and the Louisiana School Employees' Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service.

In accordance with the provisions of FASB ASC 710, *Compensation – General*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Foundation considers all highly-liquid investments to be cash equivalents. The Foundation did not have any cash equivalents at June 30, 2022 and 2021.

Inventory

Inventory consists of commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture. The commodities are recorded as revenues when received; however, all inventories are recorded as expenses when consumed. Values are assigned based on information provided by the United States Department of Agriculture.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$713 and \$140 for the fiscal years ended June 30, 2022 and 2021, respectively.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

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

New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2020-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organization elected to adopt these ASUs effective July 1, 2021 and utilized all of the available practical expedients. The adoption had a material impact on the Foundation's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The accounting for finance leases remained substantially unchanged. Adoption of the standard required the Foundation to restate amounts as of July 1, 2020, resulting in an increase in operating lease ROU assets of \$73,597, an increase in operating lease liabilities of \$51,621, and an increase in other current liabilities of \$21,976.



GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events were evaluated through November 28, 2022, which is the date the financial statements were available to be issued.

NOTE 2 CASH AND CERTIFICATES OF DEPOSIT

The Foundation may invest in United States bonds, notes, or bills as well as certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2022, the Foundation had cash and interest-bearing deposits (book balances) totaling \$2,253,702.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation maintains cash balances at two financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC insured) and the Securities Investor Protection Corporation (SIPC insured) up to \$250,000 at each institution. Additionally, the Foundation had \$2,000,000 of collateral held by the pledging bank's agent not in the Foundation's name. At June 30, 2022, the uninsured balance was \$362,999. The Organization believes it is not exposed to any significant credit risk on its cash balances.

Assets Restricted to Payment of Long-term Debt

Under the terms of two loans with the USDA, the Foundation is required to maintain cash balances in separate bank accounts, reserved for the repayment of long-term debt equal to the total principal and interest to be paid in one fiscal year. At June 30, 2022, the Foundation had bank balances in those reserve accounts totaling \$138,165, of which \$99,924 was restricted to payment of long-term debt.

(Remainder of this page intentionally left blank.)

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 3 AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets available for general use within one year as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash	\$ 2,253,702	\$ 2,342,342
Certificates of deposit	17,764	17,711
Due from other governmental units	378,989	221,590
Other receivables	700	1,067
Prepaid items	<u>59,969</u>	<u>58,756</u>
Total financial assets	2,711,124	2,641,466
Less those unavailable for general expenditures within one year, due to:		
Restricted for debt repayment	<u>(99,924)</u>	<u>(99,924)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,611,200</u>	<u>\$ 2,541,542</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Assets not being depreciated:		
Land	\$ 200,365	\$ 200,365
Construction in progress	<u>166,880</u>	<u>88,578</u>
Total assets not being depreciated	367,245	288,943
Assets being depreciated:		
Building and improvements	4,821,488	4,821,488
Furniture and equipment	298,932	298,932
Transportation equipment	<u>468,192</u>	<u>391,542</u>
Total assets being depreciated	5,588,612	5,511,962
Less accumulated depreciation	<u>(2,663,400)</u>	<u>(2,447,672)</u>
Assets being depreciated, net	<u>2,925,212</u>	<u>3,064,290</u>
Total assets, net	<u>\$ 3,292,457</u>	<u>\$ 3,353,233</u>

Total depreciation expense for the fiscal years ended June 30, 2022 and 2021 was \$215,728 and \$209,919, respectively.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
U.S. Department of Education:		
Passed through Louisiana Department of Education (LDOE):		
Title I - Grants to Local Educational Agencies	-	54,910
Title I - Direct Student Services	3,533	4,963
Title II - Supporting Effective Instruction State Grants	5,515	8,405
Title IV - Student Support and Academic Enrichment Grants	-	980
Special Education - Grants to States (IDEA, Part B)	18,488	25,111
Special Education - Grants to States (IDEA, 611 ARP)	2,108	-
Special Education - Preschool Grants (IDEA, 619 ARP)	329	-
Career and Technical Education – Basic Grants to States (Perkins IV)	6,873	10,746
Elementary and Secondary School Emergency Relief Funds (ESSERF) I	-	1,200
ESSERF II	138,308	71,765
ESSERF III Formula	127,830	-
ESSERF III Incentive	12,717	-
ESSERF III EB Interventions	<u>53,593</u>	<u>-</u>
Total passed through LDOE:	369,294	178,080
Rural Education Achievement Program (REAP)	<u>9,695</u>	<u>-</u>
Total due from U.S. Department of Education:	378,989	178,080
Louisiana Department of Education:		
Cecil J. Picard LA 4 Early Childhood Program	<u>-</u>	<u>43,510</u>
	<u>\$378,989</u>	<u>\$221,590</u>

(Remainder of this page intentionally left blank.)

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 6 LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2022 and 2021:

	2022	2021
Note payable in the original amount of \$1,600,000, payable in 466 monthly installments of \$7,264 beginning on May 23, 2010 and one final undetermined installment, bearing interest at 4.500%, collateralized by real estate and equipment	\$ 946,653	\$ 993,545
Note payable in the original amount of \$130,000, payable in 143 monthly installments of \$1,063 beginning on April 22, 2017 and one final undetermined installment, bearing interest at 2.750%, collateralized by real estate and equipment	77,893	88,540
Amount payable to a contractor for an agreed-upon settlement in the amount of \$150,000, payable in 4 annual installments of \$37,500 beginning in December 2018.	-	37,500
	1,024,546	1,119,585
Less current portion	56,241	91,451
Long-term portion	\$ 968,305	\$ 1,028,134

Maturities of long-term debt are as follows:

2023	\$ 56,241
2024	58,630
2025	61,123
2026	63,726
2027	66,443
Thereafter	718,383
Total long-term debt	\$ 1,024,546

NOTE 7 PENSION PLANS

Eligible employees of the Foundation participate in one of two cost-sharing, multiple-employer defined benefit pension plans, which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability, and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 7 PENSION PLANS (CONTINUED)

Teachers' Retirement System of Louisiana – Regular

For the fiscal year ended June 30, 2022, plan members were required to contribute 8.0% of their annual covered salary to the system while the Foundation was required to contribute the statutory rate of 25.2% of total annual covered payroll. The Foundation was also required to contribute the statutory rate of 25.8% of total annual covered payroll for the fiscal year ended June 30, 2021.

The Foundation's contributions to the system for the fiscal years ended June 30, 2022 and 2021 were \$585,807 and \$536,541, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Louisiana School Employees' Retirement System

For the fiscal year ended June 30, 2022, plan members were required to contribute 7.5%, or 8.0% for members employed subsequent to July 1, 2010, of their annual covered salary to the system while the Foundation was required to contribute the statutory rate of 28.7% of total annual covered payroll. The Foundation was also required to contribute the statutory rate of 28.7% of total annual covered payroll for the fiscal year ended June 30, 2021.

The Foundation's contributions to the system for the fiscal years ended June 30, 2022 and 2021 were \$28,449 and \$20,169, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana School Employees' Retirement System, P.O. Box 44516, Baton Rouge, Louisiana 70804-4516, or by calling (225) 925-6484.

NOTE 8 LEASE COMMITMENT

The Foundation entered into a non-cancelable operating lease for immovable property with Glencoe-Vacherie Plantation, LLC, which is a related party as a result of one of the Foundation's board members being a managing member in the entity. The lease calls for four quarterly payments of \$6,000 per year. The original lease expired on September 30, 2004. The lease contains an option to renew for four additional five year periods, with the first five year period having begun on October 1, 2004. The fourth option to renew was executed on October 1, 2019 and will expire on October 1, 2024.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 8 LEASE COMMITMENT (CONTINUED)

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of June 30:

	2022	2021
Operating lease right-of-use asset	<u>\$ 51,621</u>	<u>\$ 73,597</u>
Current portion of operating lease liabilities	\$ 22,580	\$ 21,976
Operating lease liabilities, net of current portion	<u>29,041</u>	<u>51,621</u>
Total operating lease liabilities	<u>\$ 51,621</u>	<u>\$ 73,597</u>

The following summarizes the weighted average remaining lease term and discount rate as of June 30:

	2022	2021
Weighted average remaining lease term	2.25 years	3.25 years
Weighted average discount rate	2.75%	2.75%

The maturities of lease liabilities as of June 30, 2022 were as follows:

Year ending June 30,	
2023	\$ 24,000
2024	24,000
2025	<u>6,000</u>
Total lease payments	54,000
Less: interest	<u>(2,379)</u>
Present value of lease liabilities	<u>\$ 51,621</u>

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended June 30:

	2022	2021
Lease expense included in Support services,		
Plant services expense	<u>\$ 21,976</u>	<u>\$ 24,000</u>

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 8 LEASE COMMITMENT (CONTINUED)

The following summarizes cash flow information related to leases for the year ended December 31

	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ (24,000)</u>	<u>\$ (24,000)</u>

The Foundation also leases immovable and movable property under cancelable operating leases.

NOTE 9 OTHER POST-EMPLOYMENT BENEFITS

The Foundation provides post-employment healthcare and life insurance benefits for substantially all employees if they reach normal retirement age while working for the Foundation. The Foundation’s employees may participate in the State of Louisiana’s Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees, and their beneficiaries. The State administers the plan through the Office of Group Benefits (OGB). Louisiana Revised Statutes 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The OGB does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). A copy of the CAFR may be obtained on the Office of Statewide Reporting and Accounting Policy’s website at [www.doa.louisiana.gov/osrap](http://www.doa.louisiana.gov/osrap).

The Foundation’s contributions to the plan for the fiscal years ended June 30, 2022 and 2021 were \$402,987 and \$355,849, respectively.

NOTE 10 COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus (Covid-19) was reported to have surfaced in China. The World Health Organization has characterized Covid-19 as a pandemic. The extent of the impact of Covid-19 on the operational and financial performance of the Foundation will depend on certain developments, including the duration and spread of the outbreak, impact on donors, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which Covid-19 may impact the Foundation’s financial condition is uncertain.

As a result of the COVID-19 pandemic, under the Elementary and Secondary School Emergency Relief Fund (ESSER Fund) and the Government Emergency Education Relief Fund (GEER Fund), the Department of Education has awarded grants to State Educational Agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that Novel

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 10 COVID-19 PANDEMIC (CONTINUED)

Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation. LEAs must provide equitable services to students and teachers in non-public schools as required under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Foundation was awarded \$1,832,225 under various CARES Act ESSERF grants during the fiscal years ended June 30, 2022 and 2021. The award periods range from January 1, 2021 to September 30, 2024. As of June 30, 2022, the Foundation had earned \$577,852.

NOTE 11 SUBSEQUENT EVENT

On December 2, 2021, the Foundation received conditional approval for a \$10,000,000 loan through the United States Department of Agriculture. The Foundation intends to use the funding to construct a new high school.



**SUPPLEMENTARY INFORMATION**

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of the Governing Board (Unaudited)  
Year Ended June 30, 2022

<u>Board Member</u>	<u>Term Expiration</u>
Clarence Vappie <i>President</i>	June 30, 2022
Alison Provost <i>Vice President</i>	June 30, 2024
James Evans <i>Member</i>	June 30, 2024
Stephen Schmidt <i>Member</i>	June 30, 2022
Sue Patrick <i>Member</i>	June 30, 2024
Ann Junca <i>Member</i>	June 30, 2024
Stacy Judice <i>Parent Member</i>	June 30, 2022

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Insurance in Force (Unaudited)  
Year Ended June 30, 2022

Type of Coverage	Limits of Coverage	Expires	Company
Workers' Compensation	\$1,000,000	5/10/2023	LUBA Workers Comp
Student Accident	Accident medical expense benefit - \$7,500,000 \$25,000 maximum per student	10/1/2022	National Union Fire Insurance Company
Commercial Auto & General Liab (package)	Auto liability - \$1,000,000 Medical expense - \$5,000 General liability - \$1,000,000 each occurrence Damage to premises rented - \$100,000 any one premises Personal & advertising injury - \$1,000,000 any one entity General aggregate limit - \$3,000,000 Products/completed operations aggregate limit - \$3,000,000	8/12/2022	Arch Insurance Company
Property	Building (Classrooms) - \$3,200,000 Building \$155,000 Business Personal Property \$125,000 EDP Hardware Building (Main Building) - \$1,203,847 Building \$110,000 Business Personal Property \$125,000 EDP Hardware Building (Classrooms) - \$620,000 Building \$70,000 Business Personal Property \$25,000 EDP Hardware Building (Pre K Building) - \$150,000 Building \$5,000 Business Personal Property	8/12/2022	General Security Indemnity Company of Arizona GeoVera Specialty Insurance Company HDI Global Specialty SE Indian Harbor Insurance Company Lexington Insurance Company Lloyd's of London Old Republic Union Ins QBE Specialty Insurance Company Steadfast Insurance Company Transverse Specialty Insurance Company United Specialty Insurance Company

continued

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Insurance in Force (Unaudited) (Continued)  
Year Ended June 30, 2022

Type of Coverage	Limits of Coverage	Expires	Company
Property (continued)	Building (Modular Building) - \$44,000 Building	8/12/2022	General Security Indemnity Company of Arizona
	\$7,000 Business Personal Property		GeoVera Specialty Insurance Company
	\$5,000 EDP Hardware		HDI Global Specialty SE Indian Harbor Insurance Company
	Building (Modular Building) - \$50,000 Building		Lexington Insurance Company
	\$5,000 Business Personal Property		Lloyd's of London
	\$5,000 EDP Hardware		Old Republic Union Ins QBE Specialty Insurance Company
	Building (Gym Building) - \$100,000 Building		Steadfast Insurance Company Transverse Specialty Insurance Company
			United Specialty Insurance Company
Flood	\$500,000 - Building	10/18/2022	Wright National Flood Insurance Company
Fidelity Bond	\$186,000 - Employee theft \$50,000 - Money orders and counterfeit currency	until cancelled	Hartford Fire Insurance Company

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head  
Year Ended June 30, 2022

Agency Head Name: Loren Decuir, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 97,505
Benefits - insurance	12,079
Benefits - retirement	24,571
Benefits - other (Medicare)	1,283
Reimbursements	<u>2,524</u>
Total	<u>\$ 137,962</u>

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



1201 Brashear Avenue, Suite 301  
Morgan City, LA 70380

P 985-384-6264  
F 985-384-8140

DSFCPAS.COM

**DARNALL SIKES  
& FREDERICK**  
A CORPORATION OF CERTIFIED  
PUBLIC ACCOUNTANTS

OTHER LOCATIONS:  
Lafayette Eunice Abbeville

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

To the Board of Directors of  
Glencoe Education Foundation, Inc.  
Franklin, 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 Glencoe Education Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 28, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Glencoe Education Foundation, Inc.'s (the Foundation) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

## ***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

November 28, 2022





1201 Brashear Avenue, Suite 301  
Morgan City, LA 70380

P 985-384-6264  
F 985-384-8140

DSFCPAS.COM

**DARNALL SIKES  
& FREDERICK**  
A CORPORATION OF CERTIFIED  
PUBLIC ACCOUNTANTS

OTHER LOCATIONS:  
Lafayette Eunice Abbeville

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

To the Board of Directors of  
Glencoe Education Foundation, Inc.  
Franklin, Louisiana

**Report on Compliance for Each Major Federal Program**

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

We have audited Glencoe Education Foundation, Inc.'s (the Foundation) 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 the Foundation's major federal programs for the year ended June 30, 2022. The Foundation'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, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

We are required to be independent of the Foundation 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 the Foundation's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation'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 the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 the Foundation's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation'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 the Foundation'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 the Foundation'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.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

## *Darnall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana

November 28, 2022

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Name	Grantor Project Number	CFDA Number	Federal Expenditures
United States Department of Education:			
Passed through the Louisiana Department of Education:			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	28-22-T1-7V	84.010A	\$ 162,857
Direct Student Services	28-22-DSS-7v	84.010A	<u>5,423</u>
Total Title I, Part A Cluster			168,280
Title II - Supporting Effective Instruction State Grants	28-22-50-7v	84.367A	20,595
Title IV - Student Support and Academic Enrichment Grants	28-22-71-7v	84.424A	9,850
Special Education Cluster (IDEA)			
Special Education - Grants to States (IDEA, Part B)	28-22-B1-7v	84.027A	75,126
Special Education - Grants to States (IDEA, 611 ARP)	28-22-IA11-7v	84.027X	2,108
Special Education - Preschool Grants (IDEA, 619 ARP)	28-22-IA19-7v	84.027X	329
Special Education - Preschool Grants (IDEA, Preschool)	28-22-P1-7v	84.173	<u>1,494</u>
Total Special Education Cluster (IDEA)			79,057
Career and Technical Education – Basic			
Grants to States (Perkins IV)	28-22-02-m1	84.048A	6,873
COVID-19 - Education Stabilization Fund			
Elementary and Secondary School			
Emergency Relief Funds (ESSERF) I	28-20-ESRF-7v	84.425D	22,709
ESSERF II	28-21-ES2F-7v	84.425D	209,962
ESSERF III Formula	28-21-ES3F-7v	84.425U	127,830
ESSERF III Incentive	28-21ES3I-7v	84.425U	12,717
ESSERF III EB Interventions	28-21-ESEB-7v	84.425U	<u>53,594</u>
Total Education Stabilization Fund			426,812
Rural Education Achievement Program (REAP)	N/A	84.358B	30,227
Federal Communications Commission:			
COVID-19 - Emergency Connectivity Fund Program	N/A	32.009	78,875
United States Department of Agriculture:			
Pass-through programs:			
Child Nutrition Cluster:			
Louisiana Department of Agriculture:			
National School Lunch Program - Non-cash			
Assistance (see note)	N/A	10.555	20,042
Louisiana Department of Education:			
National School Lunch Program	N/A	10.555	<u>326,234</u>
Total Child Nutrition Cluster			<u>346,276</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 1,166,845</u></b>

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of Glencoe Education Foundation, Inc. (the Foundation) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position or changes in net assets of the Foundation.

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 4 INDIRECT COST RATE

The Foundation has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 NATIONAL SCHOOL LUNCH PROGRAM – NON-CASH ASSISTANCE

Non-cash assistance is reported in the schedule at the fair market value of the USDA commodities received and disbursed.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Summary Schedule of Prior Year Findings  
Year Ended June 30, 2022

Section I Internal Control and Compliance Material to the Financial Statements

2021-001 Noncompliance with the Louisiana Local Government Budget Act

Condition: A notice was not published in the official journal to certify completion of the adopted budget.

Recommendation: Management should ensure all steps of the Louisiana Local Government Budget Act are completed.

Status: This finding is resolved.

Section II Internal Control and Compliance Material to Federal Awards

This section is not applicable for the fiscal year ended June 30, 2022 as there were no findings for the year ended June 30, 2021.

Section III Management Letter

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

**Part 1: Summary of Auditor's Results**

**FINANCIAL STATEMENTS**

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Glencoe Education Foundation, Inc.'s financial statements as of and for the years ended June 30, 2022 and 2021.

Deficiencies in Internal Control – Financial Reporting

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

Material Noncompliance – Financial Reporting

The results of our tests disclosed no instances of noncompliance which are required to be reported under *Government Auditing Standards*.

**FEDERAL AWARDS**

Auditor's Report – Major Programs

An unmodified opinion has been issued on Glencoe Education Foundation Inc.'s compliance with the requirements of its major programs as of and for the year ended June 30, 2022.

Risk Consideration

The Foundation was not considered a low-risk auditee for the year ended June 30, 2022.

Major Programs – Identification:

Education Stabilization Fund	CFDA # 84.425
Emergency Connectivity Fund	CFDA # 32.009

Program Type Determination

The dollar threshold to distinguish between Type A and Type B programs was \$750,000 for the fiscal year ended June 30, 2022. The Foundation had no Type A programs for the year.

Deficiencies in Internal Control – Major Programs

Our consideration of internal control over major programs disclosed no instances of internal control deficiencies.

Noncompliance – Major Programs

The result of our tests on compliance for each major program disclosed no instances of noncompliance.

**MANAGEMENT LETTER**

A management letter was not issued for the fiscal year ended June 30, 2022.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

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

This section is not applicable for the year ended June 30, 2022.

**Part 3: Findings and Questioned Costs Relating to Federal Programs**

This section is not applicable for the year ended June 30, 2022.



GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Management's Corrective Action Plan for Current Year Findings  
Year Ended June 30, 2022

This section is not applicable for the year ended June 30, 2022.



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

To the Board of Directors of  
Glencoe Education Foundation, Inc.  
Franklin, Louisiana,  
the Louisiana Department of Education,  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Glencoe Education Foundation, Inc. (the Foundation) for the fiscal year ended June 30, 2022; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514.1. Management of the Foundation is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

### General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

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

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

Exceptions Noted: None.

Class Size Characteristics (Schedule 2)

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

Exceptions Noted: None.

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

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

Procedures indicated testing a random sample of 25 teachers. However, the Foundation only employed 37 teachers, principals, and assistant principals as of October 1, 2021; therefore, we tested the entire population.

Exceptions Noted: During our testing over public school staff experience, we noted three exceptions when comparing years of experience in the Profile of Educational Personnel (PEP) file to the related employee's personnel file for 37 teachers, principals, and assistant principals tested. Three teachers' years of experience were understated on the PEP by 2 years, 3 years, and 6 years, respectively.

Public School Staff Data: Average Salaries (No Schedule)

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

Procedures indicated testing a random sample of 25 teachers. However, the Foundation only employed 35 teachers as of year-end; therefore, we tested the entire population.

Exceptions Noted: During our testing of average salaries, we noted three exceptions when comparing salary, extra compensation, and full-time equivalents in the Profile of Educational Personnel (PEP) file to the related employee's personnel file for 35 teachers tested. One teacher's base compensation was understated on the PEP by \$3,475 and extra compensation was understated on the PEP by \$272. One teacher's base compensation was understated on the PEP by \$3,406.

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

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

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

***Darnall, Sikes & Frederick***  
(A Corporation of Certified Public Accountants)

Lafayette, Louisiana  
November 28, 2022

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule 1 – General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
Year Ended June 30, 2022

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,399,317
Other Instructional Staff Activities	363,419
Instructional Staff Employee Benefits	782,559
Purchased Professional and Technical Services	6,700
Instructional Materials and Supplies	121,072
Instructional Equipment	-

Total Teacher and Student Interaction Activities \$ 2,673,067

Other Instructional Activities 32,600

Pupil Support Activities 131,769

Less: Equipment for Pupil Support Activities -

Net Pupil Support Activities 131,769

Instructional Staff Services 83,270

Less: Equipment for Instructional Staff Services -

Net Instructional Staff Services 83,270

School Administration 361,363

Less: Equipment for School Administration -

Net School Administration 361,363

Total General Fund Instructional Expenditures \$ 3,282,069

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Taxes	-
Debt Service Ad Valorem Taxes	-
Up to 1% of Collections by the Sheriff on Taxes Other Than School Taxes	-
Sales and Use Taxes	-
Total Local Taxation Revenue	\$ -

Local Earnings on Investments in Real Property:

Earnings from 16th Section Property	-
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	\$ -

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	-
Revenue Sharing - Other Tax	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule 2 – Class Size Characteristics  
As of October 1, 2021

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	89.5%	144	9.9%	16	0.6%	1	0.0%	-
Elementary Activity Classes	82.3%	14	5.9%	1	0.0%	-	11.8%	2
Middle/Jr. High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Middle/Jr. High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-

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



## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Glencoe Education Foundation, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. 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 procedure performed are appropriate for their purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
Written policies and procedures were obtained and address the functions noted above.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
Written policies and procedures were obtained and address the functions noted above.
  - c) ***Disbursements***, including processing, reviewing, and approving.  
Written policies and procedures were obtained and address the functions noted above.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).  
Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and address the functions noted above.

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

The entity is a non-profit and therefore, this is not applicable.

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

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.



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

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did reference or include financial activity monthly.

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

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

### ***Bank Reconciliations***

---

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained a listing of the entity's bank accounts for the fiscal period from management along with management's representation that the listing was complete.

- a) 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);  
The bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date.
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  
The bank reconciliations included evidence of review by a member of management/board member who does not handle cash, post ledgers, or issue checks.
- c) 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.  
None of the reconciliations selected were noted as having outstanding items greater than 12 months of the statement closing date.

### ***Collections (excluding electronic funds transfers)***

---

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

Obtained a listing of deposits sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared along with management's representation that the listing is complete.

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

Obtained a listing of collection locations for each deposit site selected for the fiscal period along with management's representation that the listing is complete.

- a) Employees responsible for cash collections do not share cash drawers/registers.

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

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

Employees responsible for collecting cash are not responsible for preparing/making bank deposits.

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

Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger or subsidiary ledgers.

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

Employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers are not responsible for collecting cash.

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

The entity had a bond or insurance policy for theft covering all employees who have access to cash in effect during the fiscal period.

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

- a) Observe that receipts are sequentially pre-numbered.

Observed cash receipts noting that they are sequentially pre-numbered as applicable; noting no exceptions.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Traced supporting documentation to the deposit slip noting no exceptions.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Traced the deposit slip totals to the actual deposit per the bank statement noting no exceptions.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Observed that deposits were made within one week of receipt at the collection location and the depository is more than 10 miles from the collection location. No exceptions were noted.

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

Traced the actual deposits per the bank statement to the general ledger noting no exceptions.

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

---

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

Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the listing is complete. Selected all locations that process payments as there were less than 5.

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- b) At least two employees are involved in processing and approving payments to vendors.

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

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

The Entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) was obtained along with management's representation that the population is complete.

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Observed that the disbursements matched the related original itemized invoice and that supporting documentation indicates that deliverables on the invoice were received by the Entity.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Observed that the disbursement documentation included evidence of segregation of duties tested.

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

---

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

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

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

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

Observed that there was evidence that the monthly statement and supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder.

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

No finance charges and late fees were assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Observed that all transactions tested were supported by an original itemized receipt that identifies precisely what was purchased and written documentation of the business/public purpose. There were no meal charges tested.

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

---

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

Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period along with management's representation that the listing or general ledger is complete.

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

This is not applicable as the selected expenses were reimbursed using actual costs.

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

The selected expenses were reimbursed using actual costs. The reimbursements were supported by original itemized receipts that identified precisely what was purchased. No exceptions were noted.

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

Observed that each reimbursement is supported by documentation of the business/public purpose and other documentation required by written policy. No exceptions were noted.

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

Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement. No exceptions were noted.

***Contracts***

---

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

Obtained 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 along with management's representation that the listing was complete.

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

Observed that the contract was not required to be bid in accordance with Louisiana Public Bid Law.

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

Observed that the contract was approved by the governing body/board.

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

The contract was not amended. No exceptions were noted.

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

Randomly selected one payment from the contract, and observed that the invoice and payment agreed to the terms and conditions of the contract. No exceptions were noted.

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

---

- 16. 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.

Obtained a listing of employees and officials employed during the fiscal period along with management's representation that the listing is complete. Randomly selected 5 employees, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

Observed that all selected employees documented their attendance and leave for the pay period.

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

Observed that supervisors approved the attendance and leave of the selected employees.

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

Observed that leave accrued or taken during the pay period was reflected in the Entity's cumulative leave records.

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

Observed the rate paid to the employees agreed to the authorized salary/pay rate found within the personnel file.

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

Obtained a listing of those employees that received termination payments during the fiscal period along with management's representation that the list is complete. Two employees were selected and the related documentation was obtained and agreed. No exceptions were found as a result of this procedure.

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

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

### ***Ethics***

---

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Observed documentation demonstrating that the five employees selected for testing did complete the required ethics training.

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

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

### ***Debt Service***

---

21. 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 State Bond Commission approval was obtained for each debt instrument issued.

No bonds/notes and other debt instruments were issued during the fiscal period as per management's representation.

22. 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).

A listing of bonds/notes outstanding at the end of the fiscal period was obtained along with management's representation that the listing is complete. Supporting documentation was obtained and inspected for the reserve balance and payments. No exceptions were found as a result of this procedure.

### ***Fraud Notice***

---

23. 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.

There were no misappropriations of public funds and assets during the fiscal period as per management's representation.

24. Observe 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.

Observed that the Entity has the required notice posted on its premises and website.

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

---

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

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

We performed the procedure and discussed the results with management.

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

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.

### ***Sexual Harassment***

---

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

As a non-profit, the Entity is not required to follow the Sexual Harassment procedures unless their grant funding specifically requires it. The Entity does have its employees complete sexual harassment training. The full-time employees selected did complete sexual harassment training during the year.



27. Observe 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).

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

28. 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 it includes the applicable requirements of R.S. 42:344:

a) Number and percentage of public servants in the agency who have completed the training requirements;

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

b) Number of sexual harassment complaints received by the agency;

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

c) Number of complaints which resulted in a finding that sexual harassment occurred;

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

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

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

e) Amount of time it took to resolve each complaint.

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

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

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

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

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Lafayette, Louisiana

November 28, 2022