



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

LEGACY OF EXCELLENCE, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Legacy of Excellence, Inc. (LoE) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of LoE as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LoE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented to comply with Act 706 of the 2014 Louisiana Legislative Session and is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of LoE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LoE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LoE's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited LoE's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2024. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Luther Speight & Co. CPAs

Luther Speight & Company CPAs

New Orleans, Louisiana

December 19, 2025

Legacy of Excellence, Inc.
Statement of Financial Position
As of June 30, 2025
With Comparative Totals as of June 30, 2024

	2025	2024
ASSETS		
Cash	\$ 5,888,796	\$ 3,837,044
Cash Restricted for Student Activities	56,430	41,085
Investments- LAMP Funds	8,386,253	6,049,848
Government Grants Receivable	1,652,763	5,998,136
Other Assets	36,781	121,130
Fixed Assets, Net	768,254	1,009,518
Right-of-Use Asset - Finance Lease, Net	50,105	70,839
TOTAL ASSETS	<u>\$ 16,839,382</u>	<u>\$ 17,127,600</u>
LIABILITIES		
Accounts Payable	\$ 238,868	\$ 477,779
Accrued Payroll	769,721	845,473
Accrued Expenses	392,744	694,819
Lease Liability - Finance Lease	50,860	66,525
TOTAL LIABILITIES	<u>1,452,193</u>	<u>2,084,596</u>
NET ASSETS		
Without Donor Restrictions	15,325,702	14,992,112
With Donor Restrictions	61,487	50,892
TOTAL NET ASSETS	<u>15,387,189</u>	<u>15,043,004</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,839,382</u>	<u>\$ 17,127,600</u>

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

Legacy of Excellence, Inc.
Statement of Activities and Changes in Net Assets
For the Fiscal Year Ended June 30, 2025
With Summarized Comparative Totals
For the Fiscal Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Total</u>	<u>2024 Total</u>
SUPPORT AND REVENUE				
Local Sources:				
Minimum Foundation Program (MFP)	\$ 6,195,781	\$ -	\$ 6,195,781	\$ 5,852,379
Program Income, Earned Fees, & Student Activity Fees	187,075	-	187,075	157,518
Direct Student Services	344,867	130,181	475,048	-
Contributions	65,070	-	65,070	-
Total Local Sources	<u>6,792,793</u>	<u>130,181</u>	<u>6,922,974</u>	<u>6,009,897</u>
State Sources:				
Minimum Foundation Program (MFP)	4,146,459	-	4,146,459	3,663,200
Other State Grants & Funding	236,629	-	236,629	149,573
Total State Sources	<u>4,383,088</u>	<u>-</u>	<u>4,383,088</u>	<u>3,812,773</u>
Federal Sources:				
ESSER-Formular II & III Income	1,732,623	-	1,732,623	9,007,052
Employee Retention Tax Credits	1,359,084	-	1,359,084	-
Title I, II, III, & IV Income	1,487,710	-	1,487,710	848,206
Total Federal Sources	<u>4,579,417</u>	<u>-</u>	<u>4,579,417</u>	<u>9,855,258</u>
Other Revenue				
Interest Income	445,368	-	445,368	66,248
Investment Income	30,033	-	30,033	49,847
Other Income	693	-	693	6,232
Total Other Revenue	<u>476,094</u>	<u>-</u>	<u>476,094</u>	<u>122,327</u>
Released From Restrictions (Note 16)	<u>119,586</u>	<u>(119,586)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>16,350,978</u>	<u>10,595</u>	<u>16,361,573</u>	<u>19,800,255</u>
EXPENSES				
Program Services	11,911,592	-	11,911,592	7,547,236
Management and General	3,867,161	-	3,867,161	7,075,267
Fundraising	-	-	-	-
TOTAL EXPENSES	<u>15,778,753</u>	<u>-</u>	<u>15,778,753</u>	<u>14,622,503</u>
CHANGE IN NET ASSETS	<u>572,225</u>	<u>10,595</u>	<u>582,820</u>	<u>5,177,752</u>
NET ASSETS, BEGINNING OF YEAR	<u>14,992,112</u>	<u>50,892</u>	<u>15,043,004</u>	<u>9,865,252</u>
NET ASSETS ADJUSTMENT (NOTE 19)	<u>(238,635)</u>	<u>-</u>	<u>(238,635)</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ 15,325,702</u>	<u>\$ 61,487</u>	<u>\$ 15,387,189</u>	<u>\$ 15,043,004</u>

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

Legacy of Excellence, Inc.
Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2025
With Summarized Comparative Totals
For the Fiscal Year Ended June 30, 2024

Expenses	Program Services		Supporting Services			2025 Total	2024 Total
	Instruction	Management and General	Fundraising				
Salaries and Wages	\$ 6,781,621	\$ 47,066	\$ -	\$ 6,828,687	\$ 6,707,065		
Payroll Taxes & Related	114,988	4,860	-	119,848	117,947		
Other Employee Benefits (Fringes)	2,175,630	90,065	-	2,265,695	2,307,233		
Purchased Professional & Technical Services	512,280	595,816	-	1,108,096	761,170		
Program Service Expenses	1,028,390	-	-	1,028,390	543,101		
Utilities & Related Costs	87,610	250,705	-	338,315	331,572		
Supplies & Consumables	76,963	432,345	-	509,308	125,219		
Travel & Related	21,588	-	-	21,588	22,294		
Authorizer Fees	829,447	-	-	829,447	600,058		
Special Events & Awareness	128,320	-	-	128,320	67,440		
Dues, Fees & Charges	35,169	2,456	-	37,625	64,589		
Maintenance - Direct & Not Capitalized	-	299,737	-	299,737	638,546		
Insurance	-	89,431	-	89,431	79,073		
Student Transportation Services	-	1,435,304	-	1,435,304	1,428,876		
Student Activity Fund Expense	119,586	-	-	119,586	70,378		
Amortization & Interest Expense	-	20,733	-	20,733	20,699		
Bad Debt Expense	-	2,639	-	2,639	110,009		
Occupancy Expense	-	161,353	-	161,353	213,714		
Total Expenses							
Before Depreciation	11,911,592	3,432,510	-	15,344,102	14,208,983		
Depreciation	-	434,651	-	434,651	413,520		
Total Expenses	<u>\$ 11,911,592</u>	<u>\$ 3,867,161</u>	<u>\$ -</u>	<u>\$ 15,778,753</u>	<u>\$ 14,622,503</u>		

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

Legacy of Excellence, Inc.
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025
With Comparative Totals
For the Fiscal Year Ended June 30, 2024

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	\$ 582,820	\$ 5,177,752
Adjustments to Reconcile Change in Net Assets to		
Net Cash (Used) Provided by Operating Activities:		
Depreciation	434,651	413,520
Amortization of Right-of-Use Asset - Finance Lease	20,734	12,094
Net Assets Adjustment	(238,635)	-
Net Changes in Assets and Liabilities:		
(Increase) Decrease in Grant Receivables	4,345,373	1,218,086
(Increase) Decrease in Other Assets	84,349	(12,972)
Increase (Decrease) in Accounts Payable	(238,911)	(298,699)
Increase (Decrease) in Accrued Expenses	(302,075)	(70,417)
Increase (Decrease) in Payroll Liabilities	(75,752)	845,473
Increase (Decrease) in Finance Lease Obligations for Interest Payments	2,307	1,564
Total Adjustments	<u>4,032,041</u>	<u>2,108,649</u>
Net Cash Provided by Operating Activities	4,614,861	7,286,401
Cash Flows from Investing Activities		
Purchases of Investments	(2,336,405)	(6,049,848)
Purchases of Fixed Assets	<u>(193,387)</u>	<u>(549,169)</u>
Net Cash Used In Investing Activities	(2,529,792)	(6,599,017)
Cash Flows from Financing Activities		
Repayment of Finance Lease Obligations	<u>(17,972)</u>	<u>(17,972)</u>
Net Cash Used by Financing Activities	<u>(17,972)</u>	<u>(17,972)</u>
Net Change in Cash and Cash Equivalents	<u>2,067,097</u>	<u>669,412</u>
Cash and Cash Equivalents - Beginning of Period	<u>3,878,129</u>	<u>3,208,717</u>
Cash and Cash Equivalents - End of Period	<u><u>\$ 5,945,226</u></u>	<u><u>\$ 3,878,129</u></u>
NON-CASH TRANSACTIONS		
Right-of-Use Asset - Finance Lease	\$ -	\$ 70,839
Lease Liability - Finance Lease	- (66,525)	

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 1 – ORGANIZATION

Legacy of Excellence, Inc. (LoE) was awarded a Type 3 charter by NOLA Public Schools (formerly Orleans Parish School Board) in 2018 to operate Benjamin Franklin Math and Science Elementary School. The charter for LoE was approved for the second five (5) year period that commenced on July 1, 2023 and expiring on June 30, 2028 and subject to renewal following the end of the second operating period. LoE is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. LoE's vision is to accelerate the learning of all students through data driven inquiry, reflective teaching, and powerful learning. The mission of LoE is to educate children to excel academically and individually. During the 2024-2025 school year, LoE provided educational services to students in pre-kindergarten through eighth grade, with a total enrollment at LoE of 735.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

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

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of LoE are included in this category. LoE has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of LoE and therefore, their policy is to record those net assets as without donor restrictions. As of June 30, 2025, net assets without donor restrictions totaled \$15,325,702.
- Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. As of June 30, 2025, net assets with donor restrictions totaled \$61,487.

Revenue Recognition

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

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

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

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

Revenue and Support

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

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the LoE considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents. LoE had no cash equivalents at June 30, 2025.

Investments

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless their use is with restrictions by explicit donor stipulations or law. Dividend, interest, and other investment income are recorded as increases in net assets without donor restriction unless the use is restricted by the donor.

FASB ASC topic 820, *Fair Value Measurements and Disclosures*, emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

Level 1 lies at the top of the hierarchy; inputs are quoted prices in active markets.

Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3 inputs are unobservable and require the entity to develop its own assumptions.

See Note 5 for a summary of the fair value of LoE's financial instruments.

Uncollectible Accounts, Grants Receivable, and Promises to Give

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

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

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

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

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

Donated Assets and Services

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

Concentration of Credit

LoE maintains cash accounts with various financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures deposits up to \$250,000 per depositor, per FDIC-insured bank, and per ownership category. LoE uses IntraFi Cash Service that allows customers to access FDIC insurance for large deposits by spreading them across multiple banks. When a customer deposits more than the standard FDIC-insured limit, the excess is sent to other banks in the IntraFi network and held in an FDIC-insured account. At June 30, 2025, LoE had no uninsured balances.

Minimum Foundation Program (MFP)

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

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

In-kind Contributions

In-kind contributions are recognized if services or support to enhance nonfinancial assets or conditions would require specialized skills or otherwise be purchased by LoE. LoE did not receive any in-kind contributions during the fiscal year ended June 30, 2025.

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021. LoE adopted ASU No. 2016-02 during the fiscal year ended June 30, 2023. See Note 9 for the required disclosures. Also see LoE's lease policies below.

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

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

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

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gifts In Kind

LoE evaluates its contributed non-financial assets and presents it as a separate line item in the statement of activities, apart from contributions of cash or other financial assets and also includes additional disclosures. During the year ended June 30, 2025, LoE did not receive any contributed nonfinancial assets so no changes to the financial statements or additional disclosures were needed.

Recent Accounting Pronouncements

There are no new accounting pronouncements that have an impact on the financial statements for the fiscal year ended June 30, 2025.

NOTE 3 – FIXED ASSETS

A summary of fixed assets is as follows:

Furnitures & Fixtures	\$ 233,962
Equipment	1,432,692
Leasehold Improvements	612,688
Software	<u>152,077</u>
	2,431,419
Accumulated Depreciation	<u>(1,663,165)</u>
Net Book Value	<u>\$ 768,254</u>

Depreciation expense for the fiscal year ended June 30, 2025, was \$434,651.

NOTE 4 – GOVERNMENT GRANTS RECEIVABLE

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

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 4 – GOVERNMENT GRANTS RECEIVABLE (CONTINUED)

At June 30, 2025, grants receivable was comprised of the following:

<u>Program</u>	<u>Amount</u>
Title I	\$ 527,642
Title II	6,113
Title III	6,440
Title IV	2,390
8G	17,662
LA4	38,012
Others	316,574
ESSER 3 Formula	737,930
	<hr/>
	<hr/>
	\$ 1,652,763

NOTE 5 – INVESTMENTS

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

Fair value of investment securities at June 30, 2025, consists of the following:

	<u>Fair Value</u>
Investments- LAMP Funds	\$ 8,386,253
Total Investments	<hr/> <hr/> \$ 8,386,253

The income earned year-to-date for the same period was \$31,426 with an average monthly yield of 4.36%.

NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited using different methods. Salaries and fringe benefits are allocated between the different programs based on an analysis of the cost/benefit to each fund or function.

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSES (CONTINUED)

Allowable program direct costs that can be identified to more than one program will be prorated individually as program direct costs using the ratio of actual program/client enrollment to total enrollment/clients served in all programs. Allowable administrative direct costs that can be identified to more than one program/grant will be prorated individually as administrative direct costs using the ratio of program number of employees to total number of all employees.

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

NOTE 7 - STUDENT ACTIVITY FUNDS

LoE maintains a separate bank account for student activities. The amounts in this account are collected for various activities from students and parents and are restricted for their collected purpose. Restricted school activity funds totaled \$56,430 at June 30, 2025.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Cash and Cash Equivalents	\$ 5,945,226
Government Grants Receivable	1,652,763
Investments- LAMP Funds	<u>8,386,253</u>
Total Financial Assets	<u>15,984,242</u>
Less: Net Assets With Donor Restrictions	<u>(61,487)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 15,922,755</u></u>

NOTE 9 – FINANCE LEASE

For the fiscal year ended June 30, 2025, LoE continued its recognition of ASC 842, *Leases*, which requires an organization to record a lease asset and liability based upon its lease agreements. LoE has a lease-purchase agreement with BGE Financial Corporation to lease student instructional musical instruments for a period of 5 years, commencing December 21, 2023. The lease, which includes a purchase option of \$1 at the end of the term is a finance lease. Accordingly, LoE recorded a lease asset and liability for the remaining lease term. The end of the lease is January 1, 2029.

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 9 – FINANCE LEASE (CONTINUED)

To calculate the lease liability and the lease asset for the remaining term of the lease, LoE used a discount rate of 3.93%, which is the weighted average of the stated U.S. Treasury Rate, and then calculated the present value of future lease payments. Each year, the assets and liability are reduced based upon the actual payments and a calculated amortization schedule. Total lease expense for the year in relation to the student instructional musical instruments was \$17,286 and is included in lease expense on the statement of functional expenses. In addition to the lease expense, LoE is also required to make an annual variable lease payment of \$1,755 to BGE Financial Corporation towards the insurance premium of the leased musical equipment. Supplemental information related to the lease is as follows:

Finance Leases

Right-of-Use Asset - Finance Leases	\$ 82,933
Accumulated Amortization	(32,828)
Right-of-Use Asset - Finance Leases, net	<u><u>\$ 50,105</u></u>
Current Portion of Finance Lease Obligation	\$ 16,293
Finance Lease Obligation, Less Current Portion	34,567
Total Finance Lease Obligations	<u><u>\$ 50,860</u></u>

Other Information

Weighted-Average Remaining Lease Term in Years	2.50
Weighted-Average Discount Rate	3.93%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liability recognized on the balance sheet are as follows as of June 30, 2025:

Year Ending June 30,	Lease Payments
2026	\$ 17,972
2027	17,972
2027	17,972
2028	-
2029	-
Thereafter	-
Total Future Minimum Lease Payments	<u><u>53,916</u></u>
Less Imputed Interest	(3,056)
Total Present Value of Lease Liabilities	<u><u>\$ 50,860</u></u>

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 10 – FACILITY USE AGREEMENTS

LoE also entered into 2 agreements with the NOLA Public Schools to use school property owned by NOLA Public Schools for purposes of LoE operating a charter school. The terms of the facility agreement both commenced on July 1, 2018 and originally terminated on June 30, 2023. On June 12, 2023, both parties extended the term of the agreements to June 30, 2028, with a renewal clause for an additional one year with sufficient notice secured. In consideration of the use of NOLA Public Schools' school property, LoE agreed to pay NOLA Public Schools a use fee based on a formula to compute NOLA Public Schools' per pupil unit cost, as defined in section 4.1.2 of the facility use agreements.

Management has determined that these agreements do not meet the definition of a lease under ASC 842, *Leases*. To qualify as a lease, the agreement must grant “control” of an identifiable asset for a specific period of time in exchange for payment. To demonstrate control of an asset, an entity must be able to obtain “substantially all” of the economic benefit from the asset’s use and direct its use throughout the period of the contract. There are certain stipulations in the agreements that do not grant LoE full control of the asset, so the agreements do not qualify for lease accounting treatment.

LoE is responsible for the maintenance costs of the leased property and for property repairs costing \$10,000 or less. NOLA Public Schools is responsible for repairs in excess of \$10,000 that are not caused by the negligence of LoE. Any facility alterations to the property must be approved by NOLA Public Schools. Total expenses incurred related to these agreements for June 30, 2025 were \$161,353 and are included in Occupancy Expense on the statement of functional expenses.

NOTE 11 – RETIREMENT PLAN

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

Participants are required to contribute 8% of the annual covered payroll to the plan. For the year ended June 30, 2025, LoE is required to contribute 24.1% of its annual covered payroll of each participating employee. These contribution levels are established by relevant laws and regulations, and specifically set forth by the Public Retirement Systems Actuarial Committee.

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 11 – RETIREMENT PLAN (CONTINUED)

Participants vest immediately in employee contributions to the plan while the relevant retirement benefits vest after five years of service provided the employee has reached the age of sixty; otherwise, the benefits vest after twenty years of service provided. Allowed benefits are subject to and established by relevant state statute and participants are provided with eight diverse types of retirement payment options to choose from. For the year ended June 30, 2025, LoE contributions to the plan totaled \$304,504 and are included in other employee benefits (fringes) on the statement of functional expenses.

NOTE 12 – FEDERAL, STATE & LOCAL COMPLIANCE CONTINGENCIES

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

NOTE 13 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors of LoE is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 2025.

NOTE 14 - RISK MANAGEMENT

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

NOTE 15 - REVENUE CONCENTRATION

Funding sources derived from both State and local Minimum Foundation Program, (MFP) account for 63% of LoE's total support for the year ended June 30, 2025. Cost reimbursement Federal and State grants account for 21% of LoE's total support for the year ended June 30, 2025.

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

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 16 - NET ASSETS WITH DONOR RESTRICTIONS

LoE is required to maintain Net assets with donor restrictions for their student activities. The amount restricted for such use for student activities at June 30, 2025 was \$61,487. Net assets with donor restrictions in the amount of \$119,586 were released from restrictions by incurring expenses satisfying the student activity restrictions specified by donors at June 30, 2025.

NOTE 17 – IN-KIND CONTRIBUTIONS

LoE also receives donated services from a number of unpaid volunteers assisting LoE with its programs, activities, and operations. An estimated value of these services cannot be reasonably determined as a result of the variety of services provided by the varying qualifications of the volunteers. Because the criteria for recognition under FASB ASC Section 958-605 have not been satisfied, these donated services have not been recorded in the financial statements.

NOTE 18 – NOLA PUBLIC SCHOOLS AUTHORIZER FEE (EXPENSE)

As described in Note 2, Louisiana State law requires that LoE remits a 5% administrative fee. The aggregate administrative fee for the year ended June 30, 2025 is \$829,447 and represents the summation of the LEA authorizer fee and MFP administrative fee at \$645,070 and \$184,377, respectively. These charges are included as program services on the statement of functional expenses as authorizer fees.

NOTE 19 – NET ASSETS ADJUSTMENT

Management determined a net asset adjustment of (\$238,635) was necessary to properly state current year beginning net assets. The adjustment can be attributed to a client adjusting journal entry related to accounts receivable and revenues that was not included in the prior year audit report by the auditors.

NOTE 20 – COMPENSATED ABSENCES

Per LoE's policy, employees paid time off are observed and tracked in various categories. However, management has determined that an accrual for compensated absences is not necessary at June 30, 2025 because no leave time has been deemed outstanding at year end.

Legacy of Excellence, Inc.
Notes to the Financial Statements
June 30, 2025

NOTE 21 – EMPLOYEE RETENTION TAX CREDITS

During the year ended June 30, 2025, LoE received refunds from the Internal Revenue Service (IRS) relating to the Employee Retention Tax Credit (ERTC) program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The refunds were for qualified wages paid during eligible periods during the fiscal year ended June 30, 2021. The total amount received in the current period was \$1,359,084, which is included in the federal sources section of the Statement of Activities and Changes in net Assets.

NOTE 22 – SUBSEQUENT EVENTS

Management evaluated subsequent events as of December 19, 2025, which is the date these financial statements were available to be issued. Management noted that there were no additional disclosures or adjustments required to these financial statements.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Legacy of Excellence, Inc. (LoE) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
December 19, 2025



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

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

Report on Compliance for Major Federal Program

Opinion on Each Major Federal Program

We have audited Legacy of Excellence, Inc.'s (LoE) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on LoE's major federal program for the year ended June 30, 2025. LoE's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, LoE complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Luther Speight & Co. CPAs

Luther Speight & Company CPAs

New Orleans, Louisiana

December 19, 2025

Legacy of Excellence, Inc.
Schedule of Findings and Questioned Costs
June 30, 2025

PART I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Internal Control Over Financial Reporting:

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

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no
Significant deficiency(s) identified
not considered to be material weaknesses? yes no

An unmodified opinion was issued on compliance.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

The major programs for the year ended June 30, 2025 were as follows:

1. Title IVA SSAE– Assistance Listing # 84.424A
2. Elementary and Secondary School Emergency Relief EB Intervention and Relief III Formula – Assistance Listing # 84.425U

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee.

Legacy of Excellence, Inc.
Schedule of Findings and Questioned Costs
June 30, 2025

PART II – FINANCIAL STATEMENT FINDINGS

We noted no financial statement findings during the year ended June 30, 2025.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

We noted no findings related to federal awards during the year ended June 30, 2025.

Legacy of Excellence, Inc.
Status of Prior Year Findings and Questioned Costs
June 30, 2025

There were no financial statement findings or federal awards findings noted during the year ended June 30, 2024.

Legacy of Excellence, Inc.
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Grantor/State Pass-through/ Program name Location of Project	Assistance Listing Number	Pass-Through Number	Federal Expenditures
U.S. Department of Education			
<i>Awards from a Pass-Through Entity:</i>			
Passed-Through: LA State Department of Education			
Title I, Grants to Local Educational Agencies	84.010A	N/A	\$ 1,919,309
Title II, Part A (Supporting Effective Instruction State)	84.367A	N/A	6,113
Title III, Immigrant	84.365A	N/A	9,128
Student Support and Academic Enrichment Program	84.424	N/A	28,207
Education Stabilization Fund	84.425	N/A	1,732,623
Total LA State Department of Education			<u>\$ 3,695,380</u>
Total U.S. Department of Education			<u>3,695,380</u>
Total Federal Expenditures			<u>\$ 3,695,380</u>

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

Legacy of Excellence, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

NOTE 1 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of LoE and is presented on the accrual basis of accounting. The information in this schedule is presented as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

NOTE 2 – DE MINIMIS COST RATE

LoE has not elected to use the fifteen percent (15%) de minimis cost rate allowed under the Uniform Guidance.

NOTE 3 – LOAN AND LOAN GUARANTEES

LoE did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2025. LoE had no loans outstanding at the year ended June 30, 2025.

NOTE 4 – FEDERALLY FUNDED INSURANCE

LoE has no federally funded insurance.

NOTE 5 – NONCASH ASSISTANCE

LoE did not receive federal noncash assistance for the year ended June 30, 2025.

Legacy of Excellence, Inc.
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Fiscal Year Ended June 30, 2025

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

Purpose	Amount
Salary	\$ 135,000
Benefits-FICA	-
Benefits- Insurance	10,706
Benefits-Retirement	30,071
Benefits-Stipends	4,800
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	2,306
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchedered expenses	-
Special meals	-
Total	182,883



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

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

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

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Legacy of Excellence, Inc. ("the School") for the fiscal year ended June 30, 2025; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

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Continued,

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

Findings: Based upon our examination of the supporting documentation, we noted 1 exception in our sample.

Class Size Characteristics (Schedule II)

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

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

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

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

Findings: Based upon our examination of the supporting documents, we noted 2 exceptions in our sample.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

Findings: Based upon our examination of the supporting documents, we noted exceptions on salaries for five (5) out of the twenty-five (25) employees in our sample.

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

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

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

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
December 19, 2025

Legacy of Excellence, Inc.
New Orleans, Louisiana
Schedules Required by State Law
(R.S. 24:514 – Performance and Statistical Data)
As of and for the Year Ended June 30, 2025

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

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

Schedule 2 (Formerly Schedule 6) Class Size Characteristics

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

LEGACY OF EXCELLENCE, INC.
New Orleans, Louisiana

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2025

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 2,315,404
Other Instructional Staff Activities	1,752,834
Instructional Staff Employee Benefits	1,466,193
Purchased Professional and Technical Services	218,759
Instructional Materials and Supplies	334,779
Instructional Equipment	-
Total Teacher and Student Interaction Activities	<u>6,087,969</u>

Other Instructional Activities

Pupil Support Activities	341,196
Less: Equipment for Pupil Support Activities	-
Net Pupil Support Activities	<u>341,196</u>

Instructional Staff Services	653,603
Less: Equipment for Instructional Staff Services	-
Net Instructional Staff Services	<u>653,603</u>

School Administration	2,290,413
Less: Equipment for School Administration	-
Net School Administration	<u>2,290,413</u>

Total General Fund Instructional Expenditures (Total of Column B) \$ 9,529,302

Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000) -

Certain Local Revenue Sources

Local Taxation Revenue:

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

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue

Nonpublic Transportation Revenue \$ -

LEGACY OF EXCELLENCE, INC.
New Orleans, Louisiana

Class Size Characteristics
As of October 1, 2024

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	12%	19	29%	46	48%	77	12%	19
Elementary Activity Classes	14%	2	29%	4	36%	5	21%	3
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

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



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

LEGACY OF EXCELLENCE, INC.

AGREED-UPON PROCEDURES REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. Legacy of Excellence, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Legacy of Excellence, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: Not applicable to the Entity.

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

Results: Not applicable to the Entity.

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

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

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

Results: Not applicable to the Entity.

Board or Finance Committee

2. **Results:** There were no findings in this section in the 2024 AUP report. As a result, this section is not applicable for 2025. However, these procedures will be required to be performed for 2026.

Bank Reconciliations

3. **Results:** There were no findings in this section in the 2024 AUP report. As a result, this section is not applicable for 2025. However, these procedures will be required to be performed for 2026.

Collections

4. **Results:** There were no findings in this section in the 2024 AUP report. As a result, this section is not applicable for 2025. However, these procedures will be required to be performed for 2026.

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

5. **Results:** There were no findings in this section in the 2024 AUP report. As a result, this section is not applicable for 2025. However, these procedures will be required to be performed for 2026.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

6. **Results:** There were no findings in this section in the 2024 AUP report. As a result, this section is not applicable for 2025. However, these procedures will be required to be performed for 2026.

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

7. **Results:** There were no findings in this section in the 2024 AUP report. As a result, this section is not applicable for 2025. However, these procedures will be required to be performed for 2026.

Contracts

8. **Results:** There were no findings in this section in the 2024 AUP report. As a result, this section is not applicable for 2025. However, these procedures will be required to be performed for 2026.

Payroll and Personnel

9. **Results:** There were no findings in this section in the 2024 AUP report. As a result, this section is not applicable for 2025. However, these procedures will be required to be performed for 2026.

Ethics

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

Debt Service

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

Fraud Notice

10. Results: *There were no findings in this section in the 2024 AUP report. As a result, this section is not applicable for 2025. However, these procedures will be required to be performed for 2026.*

Information Technology Disaster Recovery/Business Continuity

11. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

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

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

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

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

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

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

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

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

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

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

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

Sexual Harassment

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

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

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

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

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
December 19, 2025