

**CAPITOL EDUCATION FOUNDATION**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

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# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Capitol Education Foundation  
Baton Rouge, LA

### Report on the Financial Statements

We have audited the accompanying financial statements of Capitol Education Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capitol Education Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other Payments to the School Leader, are presented for purposes of additional analysis and are 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2020, on our consideration of Capitol Education Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Capitol Education 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 Capitol Education Foundation's internal control over financial reporting and compliance.

Daigrepoint & Brian, APAC

Daigrepoint & Brian, APAC  
Baton Rouge, LA

November 24, 2020

**CAPITOL EDUCATION FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 727,398	\$ 347,615
Accounts receivable, net	706,985	695,980
Prepaid expenses	38,969	51,922
Total Current Assets	<u>1,473,352</u>	<u>1,095,517</u>
Property and Equipment		
Leasehold improvements	325,495	261,646
Furniture and fixtures	62,325	62,325
Equipment	760,284	718,170
Accumulated depreciation	(786,892)	(574,572)
Total Property and Equipment	<u>361,212</u>	<u>467,569</u>
Total Assets	<u>\$ 1,834,564</u>	<u>\$ 1,563,086</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 308,213	\$ 837,794
Accrued wages	70,668	36,990
Short-term debt	192,972	150,000
Total Current Liabilities	<u>571,853</u>	<u>1,024,784</u>
Long Term Liabilities		
Long-term debt	<u>381,409</u>	<u>-</u>
Total Liabilities	<u>953,262</u>	<u>1,024,784</u>
Net Assets		
Net Assets Without Donor Restrictions	<u>881,302</u>	<u>538,302</u>
Total Liabilities and Net Assets	<u>\$ 1,834,564</u>	<u>\$ 1,563,086</u>

See accompanying notes and independent auditors' report.

**CAPITOL EDUCATION FOUNDATION  
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>		
Minimum Foundation Program	\$ 3,895,237	\$ 3,840,237
Federal grants	603,508	819,904
State grants	132,924	32,801
Contributions	-	21,157
Athletics	57,512	38,183
Food service reimbursement	952	116
Other income	38,527	20,782
Total Revenues	<u>4,728,660</u>	<u>4,773,180</u>
<b>EXPENSES</b>		
Program services	3,826,517	4,592,197
Management and general	559,143	898,685
Total Expenses	<u>4,385,660</u>	<u>5,490,882</u>
<b>CHANGE IN NET ASSETS</b>	343,000	(717,702)
Net assets - beginning of year	<u>538,302</u>	<u>1,256,004</u>
Net assets - end of year	<u><u>\$ 881,302</u></u>	<u><u>\$ 538,302</u></u>

See accompanying notes and independent auditors' report.

**CAPITOL EDUCATION FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE PERIOD ENDED JUNE 30, 2020**

	Program Services	Management & General	Total
Athletics	\$ 98,376	\$ -	\$ 98,376
Curriculum materials and software	165,896	-	165,896
Depreciation	169,856	42,464	212,320
Employee benefits	160,541	23,851	184,392
Food service	181,755	-	181,755
Insurance	69,103	17,276	86,379
Interest	-	15,592	15,592
Janitorial	15,038	3,759	18,797
Miscellaneous	-	5,055	5,055
Payroll taxes	139,330	18,097	157,427
Recruiting	89,693	-	89,693
Repairs and maintenance	160,844	40,211	201,055
Salaries	1,848,445	190,772	2,039,217
Security	41,938	10,484	52,422
Supplies	56,685	8,387	65,072
Technical and professional services	252,023	150,464	402,487
Transportation	244,848	-	244,848
Travel	1,222	-	1,222
Utilities	130,924	32,731	163,655
	<u>\$ 3,826,517</u>	<u>\$ 559,143</u>	<u>\$ 4,385,660</u>

See accompanying notes and independent auditors' report.

**CAPITOL EDUCATION FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE PERIOD ENDED JUNE 30, 2019**

	Program Services	Management & General	Total
Athletics	\$ 113,100	\$ -	\$ 113,100
Curriculum materials and software	221,530	-	221,530
Depreciation	195,686	48,921	244,607
Employee benefits	208,126	26,064	234,190
Food service	257,682	-	257,682
Insurance	62,081	15,520	77,601
Interest	-	5,951	5,951
Janitorial	11,947	2,987	14,934
Payroll taxes	146,294	13,667	159,961
Recruiting	89,320	-	89,320
Repairs and maintenance	209,572	52,393	261,965
Salaries	1,857,115	172,606	2,029,721
Security	54,662	13,665	68,327
Supplies	89,090	7,676	96,766
Technical and professional services	483,920	502,559	986,479
Transportation	441,589	-	441,589
Travel	3,780	-	3,780
Utilities	146,703	36,676	183,379
	<u>\$ 4,592,197</u>	<u>\$ 898,685</u>	<u>\$ 5,490,882</u>

See accompanying notes and independent auditors' report.

**CAPITOL EDUCATION FOUNDATION  
STATEMENTS OF CASH FLOWS  
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 343,000	\$ (717,702)
<u>Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:</u>		
Depreciation	212,320	244,607
(Increase) decrease in accounts receivable	(11,005)	29,353
(Increase) decrease in prepaid expenses	12,953	(19,083)
Increase (decrease) in accounts payable	(529,581)	547,269
Increase (decrease) in accrued wages	33,678	(47,570)
Total adjustments	(281,635)	754,576
Net cash provided by operating activities	<u>61,365</u>	<u>36,874</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(105,963)</u>	<u>(305,399)</u>
Net cash used by investing activities	<u>(105,963)</u>	<u>(305,399)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term debt	242,972	150,000
Payments of short-term debt	(200,000)	-
Proceeds from long-term debt	381,409	-
Net cash provided by financing activities	<u>424,381</u>	<u>150,000</u>
<b>INCREASE (DECREASE) IN CASH</b>	379,783	(118,525)
<b>CASH, BEGINNING OF YEAR</b>	<u>347,615</u>	<u>466,140</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 727,398</u></u>	<u><u>\$ 347,615</u></u>

See accompanying notes and independent auditors' report.

**CAPITOL EDUCATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

**1. Summary of Significant Accounting Policies**

(a) Organization

Capitol Education Foundation (formerly named Friendship Louisiana, Inc.) (the School) was incorporated on June 29, 2012 as a non-profit corporation under the laws of the State of Louisiana. The School was approved as a Type 5 charter by the Louisiana Board of Elementary and Secondary Education (BESE) on July, 1, 2014. The School first opened for students beginning with the 2014-2015 school year.

Upon expiration of the initial charter contract on June 30, 2019, the School entered into a new school management agreement with the Louisiana Department of Education to manage the School with the charter assigned to the Recovery School District.

The school management agreement is effective through June 30, 2021.

(b) Basis of Accounting

The financial statements of the School have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

(c) Revenues

The School receives the majority of its revenue from the Minimum Foundation Program (MFP). The amount of the MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes. The allocation calculation is primarily based on the student enrollment at the School and is recognized monthly when received.

Federal and state funds are passed through the Louisiana Department of Education. The School's federal grant funding is on a cost reimbursement basis and is recognized as earned once the expenditures have been incurred.

The School also receives revenue in the form of athletic activities revenues. These revenues are received from patrons attending school sponsored sporting events. These funds are used to help cover the cost of hosting these events and provide compensation for teachers, chaperons, referees, or other personnel required to officiate or supervise these activities.

(d) Net Assets

The School reports information regarding its financial positions and activities according to two classes of net assets.

*Net Assets Without Donor Restrictions* are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

*Net Assets With Donor Restrictions* are net assets subject to donor-imposed restrictions that may or will be met, either by actions of the organization, and/or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions. The School does not have any net assets with donor restrictions for the years ended June 30, 2020 & 2019, respectively.

**CAPITOL EDUCATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

**1. Summary of Significant Accounting Policies (continued)**

(e) Cash

Cash consists of bank deposits held with financial institutions and cash on hand.

(f) Accounts and Grants Receivable

Accounts receivable represent amounts due under federal and state grant programs as well as contributions. The grant programs are reimbursable in nature and revenue is recognized as a receivable once the expenditures are incurred. Contributions are recognized at estimated fair value when the donor makes a pledge to give when it is an unconditional promise. The School does not recognize a conditional promise to give until the conditions upon which the promise depends are substantially met.

(g) Functional Expenses

The School allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program, such as curriculum supplies, are allocated directly according to their natural expense classification. Other expenses that are attributable to both the program and general and administrative based on management's estimate of time, percentage, or square footage used, among other factors.

(h) Income Taxes

The School accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The School files information returns in the U.S. federal jurisdiction and in various other states. The School filed its first federal information return for tax year 2016 which is still subject to examination by the IRS.

(i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CAPITOL EDUCATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

**1. Summary of Significant Accounting Policies (continued)**

**(j) Recently Issued Accounting Standards**

Effective July 1, 2019, the School adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU and all subsequently issued clarifying ASUs replaced most revenue recognition guidance in U.S. GAAP and addresses how an entity should recognize revenue derived from various contracts with customers that generate revenue, along with requiring additional disclosures related to the nature, amount, and timing of revenue and cash flows arising from contracts with customers. Primarily, the update requires the organization to evaluate the various performance obligations related to its contracts with customers, allocate the transaction price to the various performance obligations, and recognize revenue as performance obligations are satisfied. The standard was adopted using the modified retrospective method.

Effective July 1, 2019, the School adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves the guidance for contributions received and contributions made, and provides guidance to organizations on how to account for transactions as contributions or exchange transactions. In addition, it clarifies whether a contribution is conditional.

The adoption of these standards did not result in any changes to beginning net assets at July 1, 2019. Based on the School's evaluation process and review of its grant contracts and contribution award documentation, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standards.

**2. Concentrations**

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Cash amounts in excess of FDIC insured limits at June 30, 2020 and 2019 were \$482,654 and \$102,932, respectfully. Management, however, believes the credit risk associated with these deposits is minimal.

The School receives the majority of its operating revenue from the Louisiana Department of Education in the form of Minimum Foundation program funding and federal reimbursable grants. The percentage of revenue and receivables from these sources in excess of 5% is as follows:

<b>Revenue</b>	<u>2020</u>	<u>2019</u>
Minimum Foundation Program	82%	80%
Federal grants	-	-
Food service reimbursement	5%	-

**CAPITOL EDUCATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

**2. Concentrations (continued)**

	<u>2020</u>	<u>2019</u>
<b>Receivables</b>		
Minimum Foundation Program	-	-
Federal Grants	90%	83%

**3. Leases**

The School occupies a building that is owned by the East Baton Rouge Parish School Board and therefore does not make any monthly lease payments. In exchange for occupying the building at no cost the School receives lower Minimum Foundation Program funding per student.

**4. Property and Equipment**

Property and equipment is presented in the financial statements on the basis of cost less allowances for depreciation. The School capitalizes all expenditures of depreciable assets where cost exceeds \$500. Depreciation is computed using the straight line method and is provided over the estimated useful lives of the assets, which is generally three to five years.

Under the current agreement all property and equipment purchased with Louisiana Department of Education funds are owned by the State of Louisiana.

**5. Compensated Absences**

Employees earn paid time off based on various factors such as length of service and job title. Any unused paid time off is paid out at the end of the year and does not carry over to the following year.

**6. Benefit Plan**

The School maintains a 401(k) retirement plan for its employees. All employees who meet eligibility requirements related to age and length of service are eligible to participate in the plan. Employees may elect to defer a certain percentage of their total compensation, within limits established by the Internal Revenue Code. The School matches up to 3% of employee deferrals. For the years ended June 30, 2020 and 2019, the total amount paid by the School under the plan was \$17,531 and \$3,928, respectively.

**7. Line of Credit**

The School has an available line of credit of \$300,000 with a bank. Interest on the line of credit is calculated at 1.05 percentage points over the bank's prime rate, which was 4.30% at year end. As of June 30, 2020 and 2019, the outstanding balance on the line of credit was \$97,328 and \$150,000, respectively.

**CAPITOL EDUCATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

**8. PPP Loan**

The School received additional federal funding in the form of forgivable SBA loan for the purpose of maintaining the School's staffing during the Covid-19 Pandemic of 2020. This funding was issued as a loan with stipulations that the loan would be forgivable up to the full amount of the loan if the funds were used for particular expenditures. No interest or principal payments are required until February 2021, at which point interest of 1% per year will be assessed on the outstanding balance. No portion of this loan has been forgiven as of June 30, 2020. The balance due as of June 30, 2020 and 2019 was \$477,053 and \$0, respectively.

Future maturities for this note are as follows:

Fiscal Year 2021	\$ 95,644
Fiscal Year 2022	230,217
Fiscal Year 2023	151,192
	<u>\$ 477,053</u>

**9. Reclassification**

Certain amounts included in the prior year financial statements have been reclassified to conform to the current year presentation.

**10. Commitments and Contingencies**

The School receives grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the School's management that its compliance with the terms of the grants will not result in any disallowed costs.

**11. Liquidity and Availability of Financial Assets**

The following reflects the School's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of a contractual or donor imposed restriction within one year of the statement of financial position date.

Financial Assets at Year End:	<u>2020</u>	<u>2019</u>
Cash	\$ 727,398	\$ 347,615
Accounts Receivable, net	706,985	695,980
Available Line of Credit	202,672	150,000
Financial Assets Available for General Expenditures	<u>\$ 1,637,055</u>	<u>\$ 1,193,595</u>

As part of the School's liquidity management, cash is kept in a checking account that can be accessed to meet daily needs of the organization. These funds can also be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress.

**12. Subsequent Events**

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through November 24, 2020, which is the date the financial statements were available to be issued.

**CAPITOL EDUCATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

**12. Subsequent Events (continued)**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the responses to curb its spread, the School is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

**CAPITOL EDUCATION FOUNDATION  
 SCHEDULE OF COMPENSATION, BENEFITS, AND  
 OTHER PAYMENTS TO THE SCHOOL LEADER  
 FOR THE PERIOD ENDED JUNE 30, 2020**

School Leader:	J. Blanchard	R. Lang
Salary	\$ 150,000	\$ 21,098
Benefits - Insurance	635	3,118
Benefits - Retirement	6,956	893
	<u>\$ 157,591</u>	<u>\$ 25,109</u>

See accompanying notes and independent auditors' report.

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITORS' 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*

Board of Directors  
Capitol Education Foundation  
Baton Rouge, LA

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 Capitol Education Foundation (a non-profit organization), which comprise the statements of financial position as of June 30, 2020 & 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Capitol Education Foundation's internal control over financial reporting (internal control) to determine the 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 Capitol Education Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 the 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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capitol Education 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 or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. This report is intended solely for the information and use of the audit committee, management, and others within the organization, the Legislative Auditor, and 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.

Daigrepoint & Brian, APAC

Daigrepoint & Brian, APAC  
Baton Rouge, La.

November 24, 2020

**CAPITOL EDUCATION FOUNDATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE PERIOD ENDED JUNE 30, 2019**

We have audited the financial statements of Capitol Education Foundation, as of June 30, 2020 and for the year then ended, and have issued our report thereon dated November 24, 2020. 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.

**Summary of Auditors' Reports**

*Financial Statements*

Type of auditors' report issued:	Unqualified
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**Findings - Financial Statement Audit**

There are no findings for the year ended June 30, 2020

**Questioned Costs**

There are no questioned costs for the year ended June 30, 2020

**CAPITOL EDUCATION FOUNDATION  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE PERIOD ENDED JUNE 30, 2019**

**Summary of Prior Year Audit Findings**

There are no findings for the year ended June 30, 2019.

**Questioned Costs**

There are no questioned costs for the year ended June 30, 2019.

See accompanying notes and independent auditors' report.