

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

Financial Report

Years Ended June 30, 2023 and 2022

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6 - 7
Statements of Functional Expenses	8
Statements of Cash Flows	9
Notes to the Financial Statements	10 - 22
SUPPLEMENTARY INFORMATION	
Schedule of the Governing Board (Unaudited)	24
Schedule of Insurance in Force (Unaudited)	25
Schedule of Compensation, Benefits, and Other Payments to Agency Head	26
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28 - 29
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with <i>Uniform Guidance</i>	30 - 32
Schedule of Expenditures of Federal Awards	33
Notes to the Schedule of Expenditures of Federal Awards	34
Summary Schedule of Prior Year Findings	35
Schedule of Findings and Questioned Costs	36 - 37
Management's Corrective Action Plan for Current Year Findings	38
Independent Accountant's Report on Applying Agreed-upon Procedures	39 - 41
Schedules Required by Louisiana Law R.S. 24:514 - Performance and Statistical Data	
Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	42
Schedule 2 - Class Size Characteristics	43



1201 Brashear Avenue, Suite 301  
Morgan City, LA 70380

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

DSFCPAS.COM

**DARNALL SIKES  
& FREDERICK**

A CORPORATION OF CERTIFIED  
PUBLIC ACCOUNTANTS

OTHER LOCATIONS:

Lafayette Eunice Abbeville

## INDEPENDENT AUDITOR'S REPORT

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

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

#### ***Opinion***

We have audited the accompanying financial statements of Glencoe Education Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Glencoe Education Foundation, Inc. (the Foundation) as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of compensation, benefits, and other payments to agency head and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 15, 2023

## **FINANCIAL STATEMENTS**

GLENCOE EDUCATION FOUNDATION, INC.

Statements of Financial Position  
June 30, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,081,500	\$ 2,153,778
Certificates of deposit	17,791	17,764
Grants receivable	301,521	378,989
Other receivables	1,935	700
Prepaid items	39,936	37,409
Total current assets	3,442,683	2,588,640
<b>PROPERTY AND EQUIPMENT, NET</b>	3,264,236	3,292,457
<b>OPERATING LEASE RIGHT-OF-USE ASSET</b>	29,041	51,621
<b>OTHER ASSETS</b>		
Assets restricted to payment of long-term debt:		
Cash and certificates of deposit	99,924	99,924
<b>TOTAL ASSETS</b>	<b>\$ 6,835,884</b>	<b>\$ 6,032,642</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 46,342	\$ 68,952
Accrued salaries payable	368,290	321,946
Other accrued liabilities	106,524	101,429
Accrued compensated absences payable	60,227	67,288
Current portion of operating lease liabilities	23,202	22,580
Current portion of long-term debt	58,630	56,241
Total current liabilities	663,215	638,436
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	909,672	968,305
Operating lease liabilities, net of current portion	5,839	29,041
Total long-term liabilities	915,511	997,346
Total liabilities	1,578,726	1,635,782
<b>NET ASSETS</b>		
Without donor restrictions		
Available for operations	2,943,046	2,112,516
Invested in property and equipment, net of related debt	2,295,934	2,267,911
	5,238,980	4,380,427
With donor restrictions	18,178	16,433
Total net assets	5,257,158	4,396,860
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,835,884</b>	<b>\$ 6,032,642</b>

The accompanying notes are an integral part of this statement.

GLENCOE EDUCATION FOUNDATION, INC.

Statements of Activities  
Years Ended June 30, 2023 and 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND SUPPORT		
Minimum Foundation Program	\$ 5,015,087	\$ 4,131,160
Food services	14,733	10,162
Tuition	29,517	39,891
Activity fees	69,020	36,871
Product and supplies sales	37,550	33,606
Contributions	-	22,000
Fundraising	50,612	46,406
Other unrestricted grants	653	20,012
Miscellaneous	10,064	31,341
Interest income	<u>19,792</u>	<u>1,496</u>
Total revenues and support without donor restrictions	5,247,028	4,372,945
Net assets released from donor restrictions	<u>1,252,050</u>	<u>1,315,092</u>
TOTAL REVENUES, SUPPORT AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	6,499,078	5,688,037
EXPENSES		
Instruction:		
Regular programs	2,876,758	2,965,874
Special education	215,886	135,007
Special programs	201,240	196,264
Career and technical education	173,702	98,070
Support services:		
Pupil support	157,865	144,124
Instructional staff	108,927	91,581
General administration	53,597	67,346
School administration	371,919	364,137
Business services	190,979	186,134
Plant services	422,173	343,839
Student transportation services	230,421	207,179
Non-instructional:		
Food services	403,999	387,619
Debt service:		
Interest and bank charges	45,099	44,410
Depreciation	<u>204,393</u>	<u>215,728</u>
TOTAL EXPENSES	<u>5,656,958</u>	<u>5,447,312</u>
Increase in net assets without donor restrictions	842,120	240,725

The accompanying notes are an integral part of this statement.



	<u>2023</u>	<u>2022</u>
NET ASSETS WITH DONOR RESTRICTIONS		
REVENUES AND SUPPORT		
Federal grants:		
Carl D. Perkins Secondary	-	6,873
Emergency Connectivity Fund Program	27,689	78,875
Rural Education Achievement Program	5,356	30,227
IDEA - Part B	80,946	75,126
National School Lunch Program	401,621	346,277
Elementary and Secondary School Emergency Relief (ESSERF)	330,991	426,812
Title I Grants to Local Educational Agencies	188,417	168,280
Title II Supporting Effective Instruction State Grants	17,867	20,595
Title IV Safe and Drug Free Schools	4,016	9,850
Other	1,774	3,931
State grants:		
Pre-K	169,632	137,400
Project Lead the Way	10,000	-
Other	31,919	27,279
TOTAL REVENUES AND SUPPORT WITH DONOR RESTRICTIONS	<u>1,270,228</u>	<u>1,331,525</u>
Net assets released from donor restrictions	<u>(1,252,050)</u>	<u>(1,315,092)</u>
Change in net assets with donor restrictions	<u>18,178</u>	<u>16,433</u>
CHANGE IN NET ASSETS	860,298	257,158
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	<u>4,396,860</u>	<u>4,139,702</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,257,158</u>	<u>\$ 4,396,860</u>

The accompanying notes are an integral part of this statement.

GLENCOE EDUCATION FOUNDATION, INC.

Statements of Functional Expenses  
Years Ended June 30, 2023 and 2022

	Instruction				Support Services						Non-instructional			Total
	Regular Programs	Special Education	Special Programs	Career and Technical Education	Pupil Support	Instructional Staff	General Administration	School Administration	Business Services	Plant Services	Student Transportation Services	Food Services	Debt Service	
2023														
Salary	\$ 1,831,262	\$ 141,117	\$ 168,922	\$ 61,667	\$ 21,176	\$ 75,136	\$ -	\$ 229,248	\$ 130,992	\$ 93,593	\$ 123,281	\$ 126,478	\$ -	\$ 3,002,872
Employee benefits	696,796	68,044	30,155	26,331	1,294	23,431	-	77,918	46,629	53,021	-	47,460	-	1,071,079
Professional services	28,120	-	-	-	132,177	-	40,957	1,320	6,833	750	-	-	-	210,157
Insurance	-	264	2,163	-	2,395	-	12,601	-	3,282	70,897	39,285	5,061	-	135,948
Repairs and maintenance	-	-	-	-	-	-	-	-	-	53,707	29,599	6,077	-	89,383
Energy	-	-	-	-	-	-	-	-	-	73,516	33,467	-	-	106,983
Telephone/postage	-	-	-	-	-	-	-	9,816	-	-	-	-	-	9,816
Disposal services	-	-	-	-	-	-	-	-	-	14,311	-	11,353	-	25,664
Rental of land/equipment	-	-	-	-	-	-	-	9,273	-	22,580	-	4,499	-	36,352
Travel	4,444	-	-	1,723	-	-	-	904	214	-	-	403	-	7,688
Materials and supplies	224,318	4,854	-	52,122	363	9,047	39	17,365	1,796	36,832	3,976	26,218	-	376,930
Food	-	-	-	-	-	-	-	-	-	-	-	172,398	-	172,398
Miscellaneous	91,818	1,607	-	31,859	460	1,313	-	26,075	1,233	2,966	813	4,052	-	162,196
Interest	-	-	-	-	-	-	-	-	-	-	-	-	45,099	45,099
	<u>\$ 2,876,758</u>	<u>\$ 215,886</u>	<u>\$ 201,240</u>	<u>\$ 173,702</u>	<u>\$ 157,865</u>	<u>\$ 108,927</u>	<u>\$ 53,597</u>	<u>\$ 371,919</u>	<u>\$ 190,979</u>	<u>\$ 422,173</u>	<u>\$ 230,421</u>	<u>\$ 403,999</u>	<u>\$ 45,099</u>	<u>\$ 5,452,565</u>
2022														
Salary	\$ 1,824,335	\$ 77,843	\$ 167,720	\$ 35,192	\$ 23,261	\$ 56,969	\$ -	\$ 226,539	\$ 130,054	\$ 80,221	\$ 105,727	\$ 141,769	\$ -	\$ 2,869,630
Employee benefits	676,898	55,338	28,369	15,336	1,444	20,412	-	82,789	44,751	34,497	-	55,731	-	1,015,565
Professional services	9,138	-	-	-	115,109	-	49,409	4,825	6,659	2,895	-	-	-	188,035
Insurance	-	320	-	-	2,025	-	17,872	-	248	46,690	36,327	5,667	-	109,149
Repairs and maintenance	-	-	-	-	-	-	-	-	-	47,823	31,055	5,565	-	84,443
Energy	-	-	-	-	-	-	-	-	-	58,088	30,700	-	-	88,788
Telephone/postage	-	-	-	-	-	-	-	12,126	290	-	-	-	-	12,416
Disposal services	-	-	-	-	-	-	-	-	-	15,523	-	10,443	-	25,966
Rental of land/equipment	-	-	-	-	-	-	-	10,369	-	21,976	-	4,050	-	36,395
Travel	7,676	358	-	787	-	627	-	1,346	807	-	-	367	-	11,968
Materials and supplies	379,220	1,148	-	35,242	2,173	10,958	-	10,449	746	32,157	2,082	24,830	-	499,005
Food	-	-	-	-	-	-	-	-	-	-	-	130,270	-	130,270
Miscellaneous	68,607	-	175	11,513	112	2,615	65	15,694	2,579	3,969	1,288	8,927	-	115,544
Interest	-	-	-	-	-	-	-	-	-	-	-	-	44,410	44,410
	<u>\$ 2,965,874</u>	<u>\$ 135,007</u>	<u>\$ 196,264</u>	<u>\$ 98,070</u>	<u>\$ 144,124</u>	<u>\$ 91,581</u>	<u>\$ 67,346</u>	<u>\$ 364,137</u>	<u>\$ 186,134</u>	<u>\$ 343,839</u>	<u>\$ 207,179</u>	<u>\$ 387,619</u>	<u>\$ 44,410</u>	<u>\$ 5,231,584</u>

The accompanying notes are an integral part of this statement.

GLENCOE EDUCATION FOUNDATION, INC.

Statements of Cash Flows  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 860,298	\$ 257,158
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	204,393	215,728
(Increase) decrease in-		
Certificates of deposit	(27)	(53)
Grants receivable	77,468	(157,399)
Other receivables	(1,235)	368
Prepaid expenses	(2,527)	(1,213)
Increase (decrease) in -		
Accounts payable	(22,610)	8,540
Accrued salaries payable	46,344	18,775
Other accrued liabilities	5,095	(184,122)
Accrued compensated absences	(7,061)	3,569
Net cash provided by operating activities	1,160,138	161,351
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(176,172)	(76,650)
Additions to construction in progress	-	(78,302)
Net cash used by investing activities	(176,172)	(154,952)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(56,244)	(95,039)
Net cash used by financing activities	(56,244)	(95,039)
Net increase (decrease) in cash	927,722	(88,640)
Cash at beginning of year	2,253,702	2,342,342
Cash at end of year	\$ 3,181,424	\$ 2,253,702
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	\$ 43,679	\$ 42,386
Reconciliation of cash per the statements of cash flows to the statements of financial position:		
Cash at beginning of year:		
Cash	\$ 2,153,778	\$ 2,242,418
Restricted cash	99,924	99,924
Total cash at beginning of year	2,253,702	2,342,342
Cash at end of year:		
Cash	\$ 3,081,500	\$ 2,153,778
Restricted cash	99,924	99,924
Total cash at end of year	3,181,424	2,253,702
Net increase (decrease) in cash	\$ 927,722	\$ (88,640)

The accompanying notes are an integral part of this statement.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Income Tax Exemption

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

Basis of Accounting

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

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are subject to donor-imposed or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. The Foundation had net assets restricted by donors in the amounts of \$18,178 and \$16,433 June 30, 2023 and 2022, respectively. Restricted amounts represent grant funding to be used for future expenditures.

Revenue Recognition

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

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

Revenue With and Without Donor Restrictions

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Functional Allocation of Expenses

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

Donated Services

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

Receivables

Receivables are stated at the amount management expects to collect. Based on the payment nature of the receivables, management considers all amounts to be collectible; therefore no allowance was considered necessary as of June 30, 2023.

Property and Equipment

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

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

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

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

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

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

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Foundation considers all highly-liquid investments to be cash equivalents. The Foundation did not have any cash equivalents at June 30, 2023 and 2022.

Inventory

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

Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$471 and \$713 for the fiscal years ended June 30, 2023 and 2022, respectively.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Fair Value of Financial Instruments

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

Leases

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

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



GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events were evaluated through December 15, 2023, which is the date the financial statements were available to be issued.

NOTE 2 CASH AND CERTIFICATES OF DEPOSIT

The Foundation may invest in United States bonds, notes, or bills as well as certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the Foundation had cash and interest-bearing deposits (book balances) totaling \$3,181,424.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation maintains cash balances at two financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC insured) and the Securities Investor Protection Corporation (SIPC insured) up to \$250,000 at each institution. Additionally, the Foundation had \$3,000,000 of collateral held by the pledging bank's agent not in the Foundation's name. At June 30, 2023, the uninsured balance was \$367,332. The Organization believes it is not exposed to any significant credit risk on its cash balances.

Assets Restricted to Payment of Long-term Debt

Under the terms of two loans with the USDA, the Foundation is required to maintain cash balances in separate bank accounts, reserved for the repayment of long-term debt equal to the total principal and interest to be paid in one fiscal year. At June 30, 2023, the Foundation had bank balances in those reserve accounts totaling \$138,928, of which \$99,924 was restricted to payment of long-term debt.

(Remainder of this page intentionally left blank.)

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 3 AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets available for general use within one year as of June 30, 2023 and 2022:

	2023	2022
Financial assets at year end:		
Cash	\$ 3,181,424	\$ 2,253,702
Certificates of deposit	17,791	17,764
Due from other governmental units	301,521	378,989
Other receivables	1,935	700
Total financial assets	3,502,671	2,651,155
Less those unavailable for general expenditures within one year, due to:		
Restricted for debt repayment	(99,924)	(99,924)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,402,747	\$ 2,551,231

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023 and 2022:

	2023	2022
Assets not being depreciated:		
Land	\$ 200,365	\$ 200,365
Construction in progress	150,453	166,880
Total assets not being depreciated	350,818	367,245
Assets being depreciated:		
Building and improvements	4,920,968	4,821,488
Furniture and equipment	306,701	298,932
Transportation equipment	553,542	468,192
Total assets being depreciated	5,781,211	5,588,612
Less accumulated depreciation	(2,867,793)	(2,663,400)
Assets being depreciated, net	2,913,418	2,925,212
Total assets, net	\$ 3,264,236	\$ 3,292,457

Total depreciation expense for the fiscal years ended June 30, 2023 and 2022 was \$204,393 and \$215,728, respectively.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
U.S. Department of Education:		
Passed through Louisiana Department of Education (LDOE):		
Title I - Grants to Local Educational Agencies	10,034	-
Title I - Direct Student Services	-	3,533
Title II - Supporting Effective Instruction State Grants	5,495	5,515
Title IV - Student Support and Academic Enrichment Grants	3,328	-
Special Education - Grants to States (IDEA, Part B)	20,686	18,488
Special Education - Grants to States (IDEA, Preschool)	177	-
Special Education - Grants to States (IDEA, 611 ARP)	6,054	2,108
Special Education - Preschool Grants (IDEA, 619 ARP)	472	329
Career and Technical Education – Basic Grants to States (Perkins IV)	-	6,873
P-EBT Local Assistance	653	-
ESSERF II Formula	181,907	138,308
ESSERF II Incentive	22,241	-
ESSERF III Formula	16,070	127,830
ESSERF III Incentive	10,080	12,717
ESSERF III EB Interventions	<u>10,932</u>	<u>53,593</u>
Total passed through LDOE:	288,129	369,294
Rural Education Achievement Program (REAP)	<u>-</u>	<u>9,695</u>
Total due from U.S. Department of Education:	288,129	378,989
Louisiana Department of Education:		
Cecil J. Picard LA 4 Early Childhood Program	<u>13,392</u>	<u>-</u>
	<u>\$301,521</u>	<u>\$378,989</u>

(Remainder of this page intentionally left blank.)

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 6 LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2023 and 2022:

	2023	2022
Note payable in the original amount of \$1,600,000, payable in 466 monthly installments of \$7,264 beginning on May 23, 2010 and one final undetermined installment, bearing interest at 4.500%, collateralized by real estate and equipment	\$ 901,157	\$ 946,653
Note payable in the original amount of \$130,000, payable in 143 monthly installments of \$1,063 beginning on April 22, 2017 and one final undetermined installment, bearing interest at 2.750%, collateralized by real estate and equipment	<u>67,145</u>	<u>77,893</u>
	968,302	1,024,546
Less current portion	<u>58,630</u>	<u>56,241</u>
Long-term portion	<u>\$ 909,672</u>	<u>\$ 968,305</u>

Maturities of long-term debt are as follows:

2024	\$ 58,630
2025	61,123
2026	63,726
2027	66,443
2028	69,278
Thereafter	<u>649,102</u>
Total long-term debt	<u>\$ 968,302</u>

NOTE 7 PENSION PLANS

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

Teachers' Retirement System of Louisiana – Regular

For the fiscal year ended June 30, 2023, plan members were required to contribute 8.0% of their annual covered salary to the system while the Foundation was required to contribute the statutory rate of 24.8% of total annual covered payroll. The Foundation was also required to contribute the statutory rate of 25.2% of total annual covered payroll for the fiscal year ended June 30, 2022.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 7 PENSION PLANS (CONTINUED)

The Foundation's contributions to the system for the fiscal years ended June 30, 2023 and 2022 were \$650,521 and \$585,807, respectively, equal to the required contribution for each year.

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

Louisiana School Employees' Retirement System

For the fiscal year ended June 30, 2023, plan members were required to contribute 7.5%, or 8.0% for members employed subsequent to July 1, 2010, of their annual covered salary to the system while the Foundation was required to contribute the statutory rate of 27.6% of total annual covered payroll. The Foundation was also required to contribute the statutory rate of 28.7% of total annual covered payroll for the fiscal year ended June 30, 2022.

The Foundation's contributions to the system for the fiscal years ended June 30, 2023 and 2022 were \$31,319 and \$28,449, respectively, equal to the required contribution for each year.

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

NOTE 8 LEASE COMMITMENT

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 8 LEASE COMMITMENT (CONTINUED)

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

	<u>2023</u>	<u>2022</u>
Operating lease right-of-use asset	<u>\$ 29,041</u>	<u>\$ 51,621</u>
Current portion of operating lease liabilities	\$ 23,202	\$ 22,580
Operating lease liabilities, net of current portion	<u>5,839</u>	<u>29,041</u>
Total operating lease liabilities	<u>\$ 29,041</u>	<u>\$ 51,621</u>

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

	<u>2023</u>	<u>2022</u>
Weighted average remaining lease term	1.25 years	2.25 years
Weighted average discount rate	2.75%	2.75%

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

Year ending <u>June 30,</u>	
2024	\$ 24,000
2025	<u>6,000</u>
Total lease payments	30,000
Less: interest	<u>(959)</u>
Present value of lease liabilities	<u>\$ 29,041</u>

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

	<u>2023</u>	<u>2022</u>
Lease expense included in Support services, Plant services expense	<u>\$ 22,580</u>	<u>\$ 21,976</u>

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 8 LEASE COMMITMENT (CONTINUED)

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

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ (24,000)</u>	<u>\$ (24,000)</u>

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

NOTE 9 OTHER POST-EMPLOYMENT BENEFITS

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

The Foundation's contributions to the plan for the fiscal years ended June 30, 2023 and 2022 were \$387,525 and \$402,987, respectively.

NOTE 10 COVID-19 PANDEMIC

As a result of the COVID-19 pandemic, under the Elementary and Secondary School Emergency Relief Fund (ESSER Fund) and the Government Emergency Education Relief Fund (GEER Fund), the Department of Education has awarded grants to State Educational Agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation. LEAs must provide equitable services to students and teachers in non-public schools as required under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Foundation was awarded \$1,886,275 under various CARES Act ESSERF grants during the fiscal years ended June 30, 2023, 2022 and 2021. The award periods range from January 1, 2021 to September 30, 2024. As of June 30, 2023, the Foundation had earned \$908,843.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Financial Statements

NOTE 11 PRIOR PERIOD ADJUSTMENT

During the current year, it was determined that retirement expense payable to TRSL was understated by \$71,063 and prepaid retirement contributions were overstated by \$22,560 as of June 30 2022, as a result of incorrect accounting for these items in previous years. To correct for this error, net assets without donor restrictions and available for operations at July 1, 2021 of \$2,206,139, as previously reported, have been decreased by \$93,623 to \$2,112,516.



**SUPPLEMENTARY INFORMATION**

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of the Governing Board (Unaudited)  
Year Ended June 30, 2023

<u>Board Member</u>	<u>Term Expiration</u>
Alison Provost <i>President</i>	June 30, 2024
Stacy Judice <i>Vice President</i>	June 30, 2025
James Evans <i>Member</i>	June 30, 2025
Stephen Schmidt <i>Member</i>	June 30, 2025
Sue Patrick <i>Member</i>	June 30, 2024
Anthony Baham <i>Member</i>	June 30, 2024
Anna Perry <i>Member</i>	June 30, 2025

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Insurance in Force (Unaudited)  
Year Ended June 30, 2023

Type of Coverage	Limits of Coverage	Expires	Company
Workers' Compensation	\$2,895,229	5/10/2024	LUBA Workers Comp
Student Accident	Catastrophic limit - \$5,000,000 Base coverage - \$25,000	8/12/2023	AGI - United States Fire Insurance Company
General Liability Package	General aggregate limit - \$3,000,000 Products/completed operations aggregate limit - \$3,000,000 Personal & advertising injury - \$1,000,000 any one entity Bodily injury - \$1,000,000 each occurrence Damage to premises rented to you - \$1,000,000 any one premises Medical Expense - \$5,000	8/12/2023	GuideOne
Abuse and Molestation	\$1,000,000 - Each occurrence \$3,000,000 - Aggregate	8/12/2023	GuideOne
Directors and Officers Liability, Employment Practices Liability and Professional Liability	\$1,000,000 - Directors and officers and educators legal liability \$1,000,000 - Shared aggregate limit \$1,000,000 - Employment practices liability \$1,000,000 - Aggregate	8/12/2023	GuideOne
Employee Benefits Liability	\$1,000,000 - Each employee \$3,000,000 - Aggregate	8/12/2023	GuideOne
Property	Buildings and Personal Business Property - \$6,701,400 Total Insured	8/12/2023	Lexington Insurance Company
Property - Wind/Hail	Buildings and Personal Business Property - \$6,701,400 Total Insured	8/12/2023	LA Citizens
Flood	\$500,000 - Building	10/18/2023	Wright National Flood Insurance Company
Auto	\$1,000,000 - Combined Single Limit \$5,000 - Medical \$5,000 - Comp/\$5,000 - Collision	8/12/2023	Euclid/Hudson Insurance Company
Crime	\$1,000,000 - Employee theft \$1,000,000 - Forgery and Alteration \$1,000,000 - Inside and outside loss \$1,000,000 - Tech fraud \$150,000 - Claims expense \$150,000 - Cyber deception	8/12/2023	Hiscox

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head  
Year Ended June 30, 2023

Agency Head Name: Loren Decuir, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 99,675
Benefits - insurance	12,652
Benefits - retirement	24,719
Benefits - other (Medicare)	1,309
Reimbursements	<u>3,008</u>
Total	<u>\$ 141,363</u>

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



1201 Brashear Avenue, Suite 301  
Morgan City, LA 70380

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

DSFCPAS.COM

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

OTHER LOCATIONS:  
Lafayette Eunice Abbeville

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Glencoe Education Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

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

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Louisiana Legislative Auditor as a public document; therefore, its distribution is not limited.

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

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 15, 2023



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

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

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

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

We have audited Glencoe Education Foundation, Inc.'s (the Foundation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended June 30, 2023. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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



### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

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

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Lafayette, Louisiana

December 15, 2023

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/Program Name	Grantor Project Number	CFDA Number	Federal Expenditures
United States Department of Education:			
Passed through the Louisiana Department of Education:			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	28-23-T1-7V	84.010A	\$ 188,417
Title II - Supporting Effective Instruction State Grants	28-22-50-7v	84.367A	15,495
Title II - Supporting Effective Instruction State Grants	28-23-50-7v	84.367	2,372
Title IV - Student Support and Academic Enrichment Grants	28-22-71-7v	84.424A	3,181
Title IV - Student Support and Academic Enrichment Grants	28-23-71-7v	84.424A	835
Special Education Cluster (IDEA)			
Special Education - Grants to States (IDEA, Part B)	28-22-B1-7v	84.027A	19,074
Special Education - Grants to States (IDEA, Part B)	28-23-B1-7v	84.027A	61,872
Special Education - Grants to States (IDEA, 611 ARP)	28-22-IA11-7v	84.027X	18,678
Special Education - Preschool Grants (IDEA, 619 ARP)	28-22-IA19-7v	84.027X	1,498
Special Education - Preschool Grants (IDEA, Preschool)	28-23-P1-7v	84.173	<u>1,774</u>
Total Special Education Cluster (IDEA)			102,896
COVID-19 - Education Stabilization Fund			
Elementary and Secondary School			
Emergency Relief Funds (ESSERF) II Formula	28-20-ESRF-7v	84.425D	174,681
ESSERF II Incentive	28-21-ES2F-7v	84.425D	22,241
ESSERF III Formula	28-21-ES3F-7v	84.425U	16,070
ESSERF III Incentive	28-21-ES3I-7v	84.425U	10,080
ESSERF III EB Interventions	28-21-ESEB-7v	84.425U	<u>87,743</u>
Total Education Stabilization Fund			310,815
Rural Education Achievement Program (REAP)	N/A	84.358B	5,356
Federal Communications Commission:			
COVID-19 - Emergency Connectivity Fund Program	N/A	32.009	27,689
United States Department of Agriculture:			
Pass-through programs:			
Child Nutrition Cluster:			
Louisiana Department of Agriculture:			
National School Lunch Program - Non-cash			
Assistance (see note)	N/A	10.555	22,093
National School Lunch Program	N/A	10.555	383,354
State Pandemic Electronic Benefit Transfer (P-EBT)			
Administrative Costs Grant	N/A	10.649	<u>653</u>
Total Child Nutrition Cluster			<u>406,100</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$1,063,156</u></b>

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of Glencoe Education Foundation, Inc. (the Foundation) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position or changes in net assets of the Foundation.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 4 INDIRECT COST RATE

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

NOTE 5 NATIONAL SCHOOL LUNCH PROGRAM – NON-CASH ASSISTANCE

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Summary Schedule of Prior Year Findings  
Year Ended June 30, 2023

Section I Internal Control and Compliance Material to the Financial Statements

This section is not applicable for the fiscal year ended June 30, 2023 as there were no findings for the year ended June 30, 2022.

Section II Internal Control and Compliance Material to Federal Awards

This section is not applicable for the fiscal year ended June 30, 2023 as there were no findings for the year ended June 30, 2022.

Section III Management Letter

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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

**FINANCIAL STATEMENTS**

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Glencoe Education Foundation, Inc.'s financial statements as of and for the years ended June 30, 2023 and 2022.

Deficiencies in Internal Control – Financial Reporting

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

Material Noncompliance – Financial Reporting

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

**FEDERAL AWARDS**

Auditor's Report – Major Programs

An unmodified opinion has been issued on Glencoe Education Foundation Inc.'s compliance with the requirements of its major programs as of and for the year ended June 30, 2023.

Risk Consideration

The Foundation was considered a low-risk auditee for the year ended June 30, 2023.

Major Programs – Identification:

Education Stabilization Fund                      CFDA # 84.425

Program Type Determination

The dollar threshold to distinguish between Type A and Type B programs was \$750,000 for the fiscal year ended June 30, 2023. The Foundation had no Type A programs for the year.

Deficiencies in Internal Control – Major Programs

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

Noncompliance – Major Programs

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

**MANAGEMENT LETTER**

A management letter was not issued for the fiscal year ended June 30, 2023.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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

This section is not applicable for the year ended June 30, 2023.

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

This section is not applicable for the year ended June 30, 2023.

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Management's Corrective Action Plan for Current Year Findings  
Year Ended June 30, 2023

This section is not applicable for the year ended June 30, 2023.





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

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

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Glencoe Education Foundation, Inc. (the Foundation) for the fiscal year ended June 30, 2023; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514.1. Management of the Foundation is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

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

Exceptions Noted: None.

Class Size Characteristics (Schedule 2)

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

Exceptions Noted: None.

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

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

Procedures indicated testing a random sample of 25 teachers. However, the Foundation only employed 36 teachers, principals, and assistant principals as of October 1, 2022; therefore, we tested the entire population.

Exceptions Noted: During our testing over public school staff education level, we noted two exceptions when comparing education in the Profile of Educational Personnel (PEP) file to the related employee's personnel file for 36 teachers, principals, and assistant principals tested. Two teachers' were shown as having a Bachelor's Degree on the PEP but had attained their Master's Degree.

During our testing over public school staff experience, we noted one exception when comparing years of experience in the Profile of Educational Personnel (PEP) file to the related employee's personnel file for 36 teachers, principals, and assistant principals tested. One teacher's years of experience was overstated on the PEP by 5 years.

Public School Staff Data: Average Salaries (No Schedule)

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

Procedures indicated testing a random sample of 25 teachers. However, the Foundation only employed 36 teachers as of year-end; therefore, we tested the entire population.

Exceptions Noted: During our testing over average salaries, we noted seven exceptions when comparing salary, extra compensation, and full-time equivalents in the Profile of Educational Personnel (PEP) file to the related employee's personnel file for 36 teachers tested. Three teachers' base compensation was understated on the PEP by \$69, \$35, and \$59, respectively. Four teachers' base compensation was overstated on the PEP by \$825.

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

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

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

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

Lafayette, Louisiana  
December 15, 2023

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule 1 – General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
Year Ended June 30, 2023

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,650,853	
Other Instructional Staff Activities	239,275	
Instructional Staff Employee Benefits	834,042	
Purchased Professional and Technical Services	3,600	
Instructional Materials and Supplies	43,023	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 2,770,793

Other Instructional Activities 20,047

Pupil Support Activities	143,765	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	143,765

Instructional Staff Services	101,534	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	101,534

School Administration	358,969	
Less: Equipment for School Administration	-	
Net School Administration	-	358,969

Total General Fund Instructional Expenditures \$ 3,395,108

Total General Fund Equipment Expenditures \$ 85,350

Certain Local Revenue Sources

Local Taxation Revenue:

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

Local Earnings on Investments in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

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

GLENCOE EDUCATION FOUNDATION, INC.  
Franklin, Louisiana

Schedule 2 – Class Size Characteristics  
As of October 1, 2022

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	80.8%	118	19.2%	28	0.0%	-	0.0%	-
Elementary Activity Classes	61.1%	11	16.7%	3	11.1%	2	11.1%	2
Middle/Jr. High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Middle/Jr. High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High	0.0%	-	0.0%	-	0.0%	-	0.0%	-
High Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-