

**Pelican Educational Foundation, Inc.  
A Nonprofit Organization**

**FINANCIAL STATEMENTS**

**June 30, 2014 and 2013**



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## **Independent Auditor's Report**

Board of Directors  
Pelican Educational Foundation, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Pelican Educational Foundation, Inc. (a nonprofit organization) (d/b/a Kenilworth Science & Technology Charter School) (the "Foundation"), which comprise the Statements of Financial Position as of June 30, 2014 and 2013, and the related Statements of Activities, 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.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. 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 Controller 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 the

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 the Foundation as of June 30, 2014 and 2013, 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.

### ***Other Matters***

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Consolidating Statements of Financial Position and Activities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014, 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 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 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.

*Carr, Riggs & Ingram, LLC*

November 20, 2014

**FINANCIAL STATEMENTS**

**Pelican Educational Foundation, Inc.**  
**Statements of Financial Position**

<i>June 30,</i>	<b>2014</b>	2013
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,526,367	\$ 1,053,668
Grants receivable	106,506	21,223
Prepaid expenses	2,880	57,028
<b>Total Current Assets</b>	<b>1,635,753</b>	1,131,919
Property and equipment, net	109,810	141,078
<b>Total Assets</b>	<b>\$ 1,745,563</b>	\$ 1,272,997
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 430,479	\$ 335,253
Accrued expenses	378,011	207,731
<b>Total Current Liabilities</b>	<b>808,490</b>	542,984
<b>Total Liabilities</b>	<b>808,490</b>	542,984
<b>Net Assets</b>		
Unrestricted	937,073	730,013
<b>Total Net Assets</b>	<b>937,073</b>	730,013
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,745,563</b>	\$ 1,272,997

*The accompanying footnotes are an integral part of these financial statements.*



**Pelican Educational Foundation, Inc.**  
**Statements of Activities**

<i>For the years ended June 30,</i>	<b>2014</b>	2013
<b>Unrestricted Net Assets</b>		
<b>Revenues and Support</b>		
Local sources	<b>\$ 3,358,457</b>	\$ 3,010,834
State sources	<b>2,269,191</b>	2,158,738
Federal sources	<b>631,743</b>	634,367
<b>Total Revenues and Support</b>	<b>6,259,391</b>	5,803,939
<b>Expenses</b>		
Program services:		
Instructional	<b>3,037,208</b>	2,739,857
Supporting services:		
Management and general	<b>2,704,752</b>	2,407,298
Non-Instructional services:		
Other services	<b>310,371</b>	302,358
<b>Total Expenses</b>	<b>6,052,331</b>	5,449,513
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<b>207,060</b>	354,426
Net Assets, beginning of year	<b>730,013</b>	375,587
Net Assets, end of year	<b>\$ 937,073</b>	\$ 730,013

*The accompanying footnotes are an integral part of these financial statements.*

**Pelican Educational Foundation**  
**Statements of Cash Flows**

<i>For the years ended June 30,</i>	<b>2014</b>	<b>2013</b>
<b>Cash Flows from Operating Activities:</b>		
Increase in net assets	\$ 207,060	\$ 354,426
Depreciation expense	36,622	36,533
Decrease (increase) in operating assets:		
Accounts receivable	(85,283)	19,460
Prepaid expenses	54,148	(44,462)
Increase (decrease) in operating liabilities:		
Accounts payable	95,226	34,856
Accrued expenses	170,280	(92,365)
Net cash provided by operating activities	<b>478,053</b>	308,448
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(5,354)	-
Net cash used in investing activities	<b>(5,354)</b>	-
Net increase in cash and cash equivalents	<b>472,699</b>	308,448
Cash and cash equivalents, beginning of year	<b>1,053,668</b>	745,220
Cash and cash equivalents, end of year	<b>\$ 1,526,367</b>	\$ 1,053,668

*The accompanying footnotes are an integral part of these financial statements.*

**Pelican Educational Foundation, Inc.**  
**Statement of Functional Expense - 2014**

	Program Services	Support Services	Non- Instructional Services	Total
	Instructional	Management And General	Other Services	
<i>For the year ended June 30, 2014</i>				
Salaries and benefits	\$ 2,335,085	\$ 724,513	\$ -	\$ 3,059,598
Purchased professional services	319,370	588,487	-	907,857
Student transportation services	-	653,157	-	653,157
Food service management	-	-	300,950	300,950
Materials and supplies	169,687	43,256	9,421	222,364
Energy	-	158,814	-	158,814
Advertising	-	135,850	-	135,850
Repairs and maintenance	-	111,017	-	111,017
Dues and fees	110,505	-	-	110,505
Insurance	-	70,240	-	70,240
Rentals	-	60,992	-	60,992
Communications	-	60,443	-	60,443
Miscellaneous	-	54,466	-	54,466
Books and periodicals	45,710	-	-	45,710
Depreciation	36,622	-	-	36,622
Cleaning services	-	31,307	-	31,307
Travel	20,229	3,688	-	23,917
Utility services	-	7,629	-	7,629
Other purchased services	-	893	-	893
<b>Total Expenses</b>	<b>\$ 3,037,208</b>	<b>\$ 2,704,752</b>	<b>\$ 310,371</b>	<b>\$ 6,052,331</b>

*The accompanying footnotes are an integral part of these financial statements.*

**Pelican Educational Foundation, Inc.**  
**Statement of Functional Expenses - 2013**

	PROGRAM SERVICES	SUPPORT SERVICES	NON- INSTRUCTIONAL SERVICES	Total
	Instructional	Management And General	Other Services	
<i>For the year ended June 30, 2013</i>				
Salaries and benefits	\$ 2,190,117	\$ 707,812	\$ -	\$ 2,897,929
Purchased professional services	303,295	525,846	-	829,141
Student transportation services	-	507,619	-	507,619
Food service management	-	-	290,887	290,887
Materials and supplies	65,982	72,944	11,471	150,397
Repairs and maintenance	1,371	124,214	-	125,585
Energy	-	123,238	-	123,238
Dues and fees	101,156	-	-	101,156
Advertising	-	95,404	-	95,404
Equipment	-	61,093	-	61,093
Insurance	-	58,565	-	58,565
Communications	-	42,499	-	42,499
Cleaning services	-	38,391	-	38,391
Depreciation	36,533	-	-	36,533
Travel	28,975	5,727	-	34,702
Rentals	-	28,961	-	28,961
Utility services	-	13,869	-	13,869
Books and periodicals	12,428	-	-	12,428
Purchased property services	-	1,116	-	1,116
<b>Total Expenses</b>	<b>\$ 2,739,857</b>	<b>\$ 2,407,298</b>	<b>\$ 302,358</b>	<b>\$ 5,449,513</b>

*The accompanying footnotes are an integral part of these financial statements.*



**Pelican Educational Foundation, Inc.**  
**Notes to the Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization***

Pelican Educational Foundation, Inc. (a nonprofit organization) (the “Foundation”) was created as a non-profit corporation under the laws of the State of Louisiana, on November 4, 2005. The Foundation applied to the Louisiana State Board of Elementary and Secondary Education (“BESE”) to operate Abramson Science & Technology Charter School, a Type 5 charter school as defined in Louisiana R.S. 17:3971, et. seq. Abramson Science & Technology Charter School serves eligible students in grades kindergarten through twelfth grade, primarily in Orleans Parish. On March 12, 2009, the Board of Elementary and Secondary Education approved Pelican Educational Foundation, Inc.’s application to transform Kenilworth Middle, a consistently failing public school in East Baton Rouge Parish, into a high-performing college-preparatory science and technology oriented charter school. Kenilworth Science & Technology Charter School (Kenilworth) began their first year of school on August 7, 2009.

On August 6, 2011, the Recovery School District revoked the Foundation’s charter to operate Abramson Science and Technology School.

The Foundation operates under the direction of a seven member board of directors. The board of directors is responsible for carrying out the provisions of the contract which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The board of directors controls the Foundation's instructional/support facility staffed by 59 personnel who provide services to approximately 530 students.

***Basis of Accounting***

The financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

***Functional Expenses***

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management. The allocation between the functions is compiled based on the Louisiana Accounting and Uniform Governmental Handbook (LAUGH).



**Pelican Educational Foundation, Inc.**  
**Notes to the Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Income Tax Status***

The Foundation is a tax exempt organization under Internal Revenue Code Section 501(c)(3) and, as such, is not subject to income tax.

***Public Support and Revenue***

The Foundation receives its support primarily from the Louisiana State Department of Education and the United States Department of Education. Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give which are estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

***Estimates***

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

**Pelican Educational Foundation, Inc.**  
**Notes to the Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Cash and Cash Equivalents***

Cash includes amounts in demand deposits and interest-bearing deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less.

***Basis of Presentation***

Financial statement presentation follows the provisions of the *Not-For-Profit Entities* Topic of FASB ASC (FASB ASC 958), which establishes external financial reporting for not-for-profit organizations, which includes three basic financial statements and the classification of resources into three separate classes of net assets, as follows:

- Unrestricted - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted - Net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to such stipulations.
- Permanently Restricted - Net assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of the Foundation.

***Property and Equipment***

Property and equipment are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported property and equipment except land are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	30-15 years
Furniture and fixtures	7 years
Office and classroom equipment	5 years

Assets acquired with Department of Education funds are owned by the Foundation while used in the purpose for which it was purchased. The Department of Education, however, has a

**Pelican Educational Foundation, Inc.**  
**Notes to the Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

Subsequent Events

Subsequent events have been evaluated through November 20, 2014, the date the financial statements were available to be issued.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

The Foundation maintains its cash balances at a national financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ending June 30, 2014 and 2013. At times, the balance may exceed the federally insured amount.

**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2014 and 2013, consisted of the following:

	2014	2013
Building and improvements	\$ 104,900	\$ 104,900
Furniture and fixtures	92,176	86,822
Office and classroom equipment	89,430	89,430
Less: Accumulated Depreciation	(176,696)	(140,074)
	<u>\$ 109,810</u>	<u>\$ 141,078</u>

Depreciation expense was \$36,622 and \$36,533 for the years ended June 30, 2014 and 2013, respectively.

**NOTE 4 – RETIREMENT PLAN**

Employees of the Foundation are eligible to participate in the defined contribution plan administered by American United Life. The plan is a 403(b) defined contribution plan. Employees are allowed to make contributions during the year subject to limitations imposed by the IRS. The Foundation provides an Employer matching contribution of 5% of the employee's salary. The Foundation made contributions during the years ended June 30, 2014 and 2013 of \$112,447 and \$113,956, respectively.



**Pelican Educational Foundation, Inc.**  
**Notes to the Financial Statements**

**NOTE 5 – COMPENSATED ABSENCES**

All contracted employees are granted eight (8) days of sick pay per year, provided, however, that the employee is contracted for a full year. At June 30, 2014 and 2013, the Foundation paid each employee for any unused sick pay the employee earned during the year.

**NOTE 6 - CONTINGENCIES**

**State and Local Funding** - The continuation of Kenilworth Science and Technology Charter School is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with the Board of Elementary and Secondary Education. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

**NOTE 7 – LEASE AGREEMENT**

During the years ended June 30, 2014 and 2013, the Foundation leased a building from the East Baton Rouge Parish School Board (EBRPSB) for Kenilworth Science and Technology Charter School absent a lease agreement. The EBRPSB will forego any lease payments for the term of the lease.

**NOTE 8 – SIGNIFICANT CONCENTRATIONS**

For the years ended June 30, 2014 and 2013, the Foundation received approximately 54% and 52% of its total revenue, respectively, from local sources, approximately 36% and 37% of its total revenue, respectively, from state public school funds, and approximately 10% and 11% of its total revenue, respectively, from federal programs.

**NOTE 9 - OPERATING LEASE AGREEMENTS**

The Foundation entered into an operating lease for the rental of three (3) copiers and another three (3) leases for various computer equipment. The copier lease is for a thirty-nine (39) month period and was executed in June 2013. Two of the equipment leases are for a thirty-six (36) month period and were executed in June 2013. The third equipment lease is for a fifty-one (51) month period and was executed in January 2013. Rental payments under these leases were \$60,992 and \$28,961 for the years ended June 30, 2014 and 2013, respectively.

**Pelican Educational Foundation, Inc.**  
**Notes to the Financial Statements**

**NOTE 9 - OPERATING LEASE AGREEMENTS (Continued)**

Future minimum commitments under the operating lease agreements are as follows:

2015	50,711
2016	50,711
2017	8,205
	<hr/>
	\$ 109,627
	<hr/> <hr/>

**NOTE 10 – UNCERTAIN TAX POSITIONS**

Accounting principles generally accepted in the United States of America require the Foundation's management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Foundation's management has analyzed the tax positions taken by the Foundation, and has concluded that as of June 30, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation's management believes it is no longer subject to income tax examinations for years prior to 2011.

**NOTE 11 – CONTINGENCIES**

The US Attorney's Office, Middle District of Louisiana, initiated an investigation of the Foundation during the year ended June 30, 2014. As of the date of this report, the results of the investigation have not been provided to the Foundation. In management's opinion, the resolution of this agency's investigation and litigation that may or may not result from the investigation, if any, would not have a material effect on the financial position of the Foundation at June 30, 2014.

## **SUPPLEMENTAL INFORMATION**

**Pelican Educational Foundation, Inc.**  
**Consolidating Statement of Financial Position**

<i>June 30, 2014</i>	Abramson Science and Technology	Kenilworth Science and Technology	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 199,729	\$ 1,326,638	\$ 1,526,367
Grants receivable	-	106,506	106,506
Prepaid expenses	-	2,880	2,880
<b>Total Current Assets</b>	<b>199,729</b>	<b>1,436,024</b>	<b>1,635,753</b>
Property and equipment, net	-	109,810	109,810
<b>Total Assets</b>	<b>\$ 199,729</b>	<b>\$ 1,545,834</b>	<b>\$ 1,745,563</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 199,729	\$ 230,750	\$ 430,479
Accrued expenses	-	378,011	378,011
<b>Total Current Liabilities</b>	<b>199,729</b>	<b>608,761</b>	<b>808,490</b>
<b>Total Liabilities</b>	<b>199,729</b>	<b>608,761</b>	<b>808,490</b>
<b>Net Assets</b>			
Unrestricted	-	937,073	937,073
<b>Total Net Assets</b>	<b>-</b>	<b>937,073</b>	<b>937,073</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 199,729</b>	<b>\$ 1,545,834</b>	<b>\$ 1,745,563</b>

**Pelican Educational Foundation, Inc.**  
**Consolidating Statement of Activities**

<i>For the year ended June 30, 2014</i>	Abramson Science and Technology	Kenilworth Science and Technology	Total
<b>Unrestricted Net Assets</b>			
<b>Revenues and Support</b>			
Local sources	\$ 105	\$ 3,358,352	\$ 3,358,457
State sources	-	2,269,191	2,269,191
Federal sources	-	631,743	631,743
<hr/>			
Total Revenues and Support	105	6,259,286	6,259,391
<b>Expenses</b>			
Program services:			
Instructional	-	3,037,208	3,037,208
Supporting services:			
Management and general	54,466	2,650,286	2,704,752
Non-Instructional services:			
Other services	-	310,371	310,371
<hr/>			
Total Expenses	54,466	5,997,865	6,052,331
<hr/>			
<b>Increase (decrease) in</b>			
<b>Unrestricted Net Assets</b>	(54,361)	261,421	207,060
<hr/>			
Net Assets, beginning of year	54,361	675,652	730,013
<hr/>			
Net Assets, end of year	\$ -	\$ 937,073	\$ 937,073

## **PERFORMANCE STATISTICAL DATA**

## **Independent Accountant’s Report on Applying Agreed-Upon Procedures**

Board of Directors  
Pelican Educational Foundation, Inc.  
Baton Rouge, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Pelican Educational Foundation, Inc. (a nonprofit organization) (the “Foundation”) who operates Kenilworth Science & Technology Charter School (the “School”) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management’s assertions about the performance and statistical data accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. The School is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of 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.

#### Education Levels of Public School Staff (Schedule K-2)

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule K-4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2013.
3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule K-4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2013 and as reported on the schedule. We traced a random sample of 25 teachers to the individual’s personnel file and determined that the individual’s education level was properly classified on the schedule.

#### Number and Type of Public Schools (Schedule K-3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

#### Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule K-4)

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2013 and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined that the individual’s experience was properly classified on the schedule.

#### Public Staff Data: Average Salaries (Schedule K-5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual’s personnel file and determined that the individual’s salary, extra compensation, and full-time equivalents were properly included on the schedule.



8. We recalculated the average salaries and full-time equivalents reported in the schedule.

#### Class Size Characteristics (Schedule K-6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule K-3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2013 roll books for those classes and determined that the class was properly classified on the schedule.

#### Louisiana Educational Assessment Program (LEAP) (Schedule K-7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School System.

#### iLEAP Tests (Schedule K-9)

11. We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to the scores reported in the schedule by the School System.

We noted the following exceptions as a result of applying the above procedures:

#### Experience of Public Principals, Assistant Principals, and Full-time Classroom Teacher (Schedule K-4)

##### **Finding:**

We noted three (3) instances where the teacher's reported experience level was incorrect on the October 1, 2013 PEP report.

##### **Corrective Action Plan:**

This was a clerical mistake. We will re-check all staff's level of experience on PEP, and make sure they are correct.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, the Louisiana Department of Education, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Carr, Riggs & Ingram, LLC*

November 20, 2014

**Pelican Educational Foundation, Inc.**  
**Schedule K1**

**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND  
CERTAIN LOCAL REVENUE SOURCES  
FOR THE YEAR ENDED JUNE 30, 2014**

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:		
Classroom teacher salaries	\$ 1,470,865	
Other instructional staff activities	133,486	
Instructional Staff Employee benefits	460,653	
Purchased professional and technical services	299,370	
Instructional materials and supplies	189,075	
Less instructional equipment	-	
Total teacher and student interaction activities		\$ 2,553,449
Other instructional activities		20,229
Pupil support activities	205,676	
Less equipment for pupil support activities	-	
Net pupil support activities		205,676
Instructional Staff Services	167,250	
Less equipment for instructional staff services	-	
Net instructional staff services		167,250
School Administration	519,403	
Less: Equipment for School Administration	-	
Net School Administration		519,403
Total general fund instructional expenditures		\$ 3,466,007
Total general fund equipment expenditures		\$ -

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ -
Renewable ad valorem tax	-
Debt service ad valorem tax	-
Up to 1% of collections by the Sheriff on taxes other than school taxes	-
Sales and use taxes	-
Total local taxation revenue	\$ -

Local earnings on investment in real property:

Earnings from 16th section property	\$ -
Earnings from other real property	-
Total local earnings on investment in real property	\$ -

State revenue in lieu of taxes:

Revenue sharing—constitutional tax	\$ -
Revenue sharing—other taxes	-
Revenue sharing—excess portion	-
Other revenue in lieu of taxes	-
Total state revenue in lieu of taxes	\$ -

Nonpublic textbook revenue \$ -

Nonpublic transportation revenue \$ -

**PELICAN EDUCATIONAL FOUNDATION, INC.**  
**Schedule K2**

**EDUCATION LEVELS OF PUBLIC SCHOOL STAFF  
AS OF OCTOBER 1, 2013**

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	21.0	73%	8.0	89%	1.0	50%	-	-
Master's Degree	7.0	24%	1.0	11%	1.0	50%	1.0	100%
Master's Degree +30	-	-	-	-	-	-	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	1.0	3%	-	-	-	-	-	-
<b>Total</b>	<b>29.0</b>	<b>100%</b>	<b>9.0</b>	<b>100%</b>	<b>2.0</b>	<b>100%</b>	<b>1.0</b>	<b>100%</b>

**NUMBER AND TYPE OF PUBLIC SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2014**

---

Type	2014
	Number
Elementary	-
Middle/Jr. High	1
Secondary	-
Combination	-
Total	1

**EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS, AND  
FULL-TIME CLASSROOM TEACHERS  
AS OF OCTOBER 1, 2013**

---

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	-	-	-	-
Classroom Teachers	5.0	15.0	7.0	2.0	-	1.0	1.0	31.0
Principals	-	-	-	-	-	-	1.0	1.0
Total	5.0	15.0	7.0	2.0	-	1.0	2.0	32.0

**PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES  
AS OF JUNE 30, 2014**

---

2014	All Classroom Teachers	Classroom Teachers Excluding ROTC, rehired retirees, and flagged salary reductions
Average Classroom Teachers Salary Including Extra Compensation	\$45,601	\$45,601
Average Classroom Teachers Salary Excluding Extra Compensation	\$45,601	\$45,601
Number of Teacher Full- Time Equivalent (FTEs) used in Computation of Average Salaries	36.86	36.86

Note: Figures reported include all sources of funding (i.e. federal, state and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

**CLASS SIZE CHARACTERISTICS  
AS OF OCTOBER 1, 2013**

School Type	Class Size Range							
	1 to 20		21 to 26		27 to 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr High	13%	22	52%	86	35%	58	-	-
Middle/Jr High Activity Classes	2%	1	62%	27	36%	16	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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



Louisiana Educational Assessment Program (LEAP)  
For the Year Ended June 30, 2014, 2013, 2012

District Achievement Level Results	English						Mathematics					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	1	1%	1	1%	-	0%	3	2%	-	0%	-	0%
Mastery	6	4%	5	4%	3	3%	4	3%	6	5%	2	2%
Basic	55	37%	57	49%	56	47%	84	56%	85	73%	64	53%
Approaching Basic	70	47%	48	41%	48	40%	34	23%	17	14%	40	33%
Unsatisfactory	16	11%	6	5%	13	10%	23	16%	9	8%	14	12%
<b>Total</b>	<b>148</b>	<b>100%</b>	<b>117</b>	<b>100%</b>	<b>120</b>	<b>100%</b>	<b>148</b>	<b>100%</b>	<b>117</b>	<b>100%</b>	<b>120</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	-	0%	-	0%	-	0%	-	0%	1	1%	-	0%
Mastery	7	5%	4	3%	10	8%	7	5%	3	3%	4	3%
Basic	61	41%	55	47%	38	31%	67	45%	60	51%	52	43%
Approaching Basic	56	38%	48	41%	51	43%	44	30%	32	27%	39	33%
Unsatisfactory	24	16%	10	9%	21	18%	29	20%	21	18%	25	21%
<b>Total</b>	<b>148</b>	<b>100%</b>	<b>117</b>	<b>100%</b>	<b>120</b>	<b>100%</b>	<b>147</b>	<b>100%</b>	<b>117</b>	<b>100%</b>	<b>120</b>	<b>100%</b>

Pelican Educational Foundation, Inc.  
Schedule K9

/ LEAP TESTS

For the Years Ended June 30, 2014, 2013, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	-	0%	-	1%	-	1%	1	0%
Mastery	8	5%	10	6%	4	2%	6	4%
Basic	84	52%	88	54%	65	40%	68	42%
Approaching Basic	55	34%	25	15%	66	40%	58	36%
Unsatisfactory	16	9%	40	24%	28	17%	30	18%
<b>Total</b>	<b>163</b>	<b>100%</b>	<b>163</b>	<b>100%</b>	<b>163</b>	<b>100%</b>	<b>163</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	-	0%	6	3%	2	1%	7	4%
Mastery	9	5%	15	8%	21	12%	15	8%
Basic	92	52%	95	53%	76	43%	90	51%
Approaching Basic	54	30%	34	20%	63	35%	49	28%
Unsatisfactory	23	13%	28	16%	16	9%	17	10%
<b>Total</b>	<b>178</b>	<b>100%</b>	<b>178</b>	<b>100%</b>	<b>178</b>	<b>100%</b>	<b>178</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	-	0%	7	5%	3	2%	8	5%
Mastery	10	7%	7	5%	6	3%	14	9%
Basic	66	43%	57	37%	60	40%	57	37%
Approaching Basic	44	29%	46	30%	59	40%	48	33%
Unsatisfactory	31	21%	34	23%	23	15%	24	16%
<b>Total</b>	<b>151</b>	<b>100%</b>	<b>151</b>	<b>100%</b>	<b>151</b>	<b>100%</b>	<b>151</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	1	1%	1	1%	1	0%	1	0%
Mastery	6	4%	10	7%	19	14%	13	10%
Basic	75	55%	82	60%	62	46%	60	44%
Approaching Basic	32	24%	27	20%	39	29%	34	25%
Unsatisfactory	22	16%	16	12%	15	11%	28	21%
<b>Total</b>	<b>136</b>	<b>100%</b>	<b>136</b>	<b>100%</b>	<b>136</b>	<b>100%</b>	<b>136</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	1	1%	2	1%	-	0%	2	1%
Mastery	13	8%	13	8%	13	8%	21	13%
Basic	78	47%	95	58%	76	46%	92	56%
Approaching Basic	65	39%	31	19%	59	36%	28	17%
Unsatisfactory	9	5%	23	14%	16	10%	21	13%
<b>Total</b>	<b>166</b>	<b>100%</b>	<b>164</b>	<b>100%</b>	<b>164</b>	<b>100%</b>	<b>164</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	2	1%	4	2%	3	2%	5	3%
Mastery	11	6%	8	4%	27	14%	30	16%
Basic	105	56%	105	56%	80	43%	105	56%
Approaching Basic	51	27%	39	21%	56	30%	33	18%
Unsatisfactory	18	10%	31	17%	21	11%	14	7%
<b>Total</b>	<b>187</b>	<b>100%</b>	<b>187</b>	<b>100%</b>	<b>187</b>	<b>100%</b>	<b>187</b>	<b>100%</b>

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*  
AND OMB CIRCULAR A-133 COMPLIANCE**

**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***

Board of Directors  
Pelican Educational Foundation, Inc.  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pelican Educational Foundation, Inc. (a nonprofit organization) (d/b/a Kenilworth Science & Technology Charter School) (the "Foundation"), which comprise the Statement of Financial Position as of June 30, 2014, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, LLC*

November 20, 2014

## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133**

Board of Directors  
Pelican Educational Foundation, Inc.  
Baton Rouge, Louisiana

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

We have audited the Pelican Educational Foundation Inc.'s (a nonprofit organization) (d/b/a Kenilworth Science and Technology Charter School) (the "Foundation") compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2014. 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.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

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

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, 2014.

### **Report on Internal Control over Compliance**

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Carr, Riggs & Ingram, LLC*

November 20, 2014



**Pelican Educational Foundation, Inc.**  
**Schedule of Expenditures of Federal Awards**

<b>Grantor/Program Title/Pass-Through Grantor</b>	<b>Federal CFDA Number</b>	<b>Total Federal Expenditures</b>
<u>U.S. Department of Education:</u>		
<i>Passed-through Louisiana Department of Education:</i>		
Title I Grants to Local Educational Agencies (LEAs)	84.010	\$ 207,526
Special Education - Grants to States (IDEA, Part B)	84.027	93,322
Title II Improving Teacher Quality State Grants	84.367	48,948
Total U.S. Department of Education		349,796
<u>U.S. Department of Agriculture:</u>		
<i>Passed-through Helix Network of Educational Choices:</i>		
Title I Grants to Local Educational Agencies (LEAs)		
Child Nutrition Cluster:		
National School Lunch Program	10.555	222,889
National Breakfast Program	10.553	59,058
Total U.S. Department of Agriculture		281,947
Total federal assistance		\$ 631,743

*See accompanying Note to the Schedule of Expenditures of Federal Awards.*



**Pelican Educational Foundation, Inc.**  
**Notes to the Schedule of Expenditures of Federal Awards**

**NOTE 1: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Foundation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**Pelican Educational Foundation, Inc.  
Schedule of Findings and Questioned Costs**

**A. SUMMARY OF AUDITOR’S RESULTS**

- The auditor’s report expresses an unmodified opinion on the financial statements of Pelican Educational Foundation, Inc. (a nonprofit organization) (the “Foundation”).
- No instances of noncompliance material to the financial statements of the Foundation were disclosed and identified during the audit.
- No material weaknesses relating to the audit of the major federal award programs is reported in the *Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over compliance Required by OMB Circular A-133*.
- The *Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over compliance Required by OMB Circular A-133* expresses an unmodified opinion on all major federal programs.
- There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- A management letter was not issued for the year ended June 30, 2014.
- The programs tested as major programs for the year ended June 30, 2014 was:

<u>Program Title</u>	<u>CFDA No.</u>
Title II Improving Teacher Quality State Grants	84.367
Child Nutrition Cluster	10.553/10.555

- The threshold for distinguishing between Type A and Type B programs was \$300,000.
- The Foundation does not qualify as a low-risk auditee.

**B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

None.

**C. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

None.



**Pelican Educational Foundation, Inc.  
Summary Schedule of Prior Year Audit Findings**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

None.

**SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS**

None.

**SECTION III – MANAGEMENT LETTER**

None.