

SUNSET FRENCH IMMERSION SCHOOL, INC
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Financial Report

Year Ended June 30, 2024

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OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Sunset French Immersion School, Inc.
d/b/a Ecole Saint-Landry School
Sunset, Louisiana

Opinion

We have audited the accompanying financial statements of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School as of June 30, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School'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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School'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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of the governing board, schedule of insurance in force, and schedule of compensation, benefits, and other payments paid to an agency head are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements 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, schedule of the governing board, schedule of insurance in force, and schedule of compensation, benefits, and other payments paid to an agency head are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School'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 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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

December 20, 2024

FINANCIAL STATEMENTS

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL

Statement of Financial Position
June 30, 2024

ASSETS

CURRENT ASSETS

Cash	\$ 193,536
Prepaid items	35,163
Accounts receivable	<u>804,913</u>
Total current assets	1,033,612

PROPERTY AND EQUIPMENT, NET	54,452
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OPERATING LEASE RIGHT-OF-USE ASSET	<u>762,042</u>
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TOTAL ASSETS	<u><u>\$ 1,850,106</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 268,268
Accrued expenses	95,421
Current portion of operating lease liability	<u>24,886</u>
Total current liabilities	388,575

LONG-TERM LIABILITIES

Operating lease liability, net of current portion	<u>911,423</u>
Total liabilities	1,299,998

NET ASSETS

Without donor restrictions	
Available for operations	401,807
With donor restrictions	<u>148,301</u>
Total net assets	<u>550,108</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,850,106</u></u>
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The accompanying notes are an integral part of this statement.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL

Statement of Activities
Year Ended June 30, 2024

NET ASSETS WITHOUT DONOR RESTRICTIONS

REVENUES AND SUPPORT

Contributions	\$ 134,636
Fundraising activities	52,306
Other income	<u>42,985</u>
Total revenues and support without donor restrictions	229,927
Net assets released from donor restrictions	<u>1,872,202</u>

TOTAL REVENUES, SUPPORT AND OTHER SUPPORT

WITHOUT DONOR RESTRICTIONS 2,102,129

EXPENSES

Instruction:

Regular programs	894,452
Special education	761
Other instructional programs	16,217

Support Services:

Pupil support	51,719
Instructional staff	17,275
General administration	62,098
School administration	334,847
Business services	33,243
Plant Services	252,650
Student transportation services	137,224
Central services	5,270

Non-instructional:

Food services	57,180
Depreciation	<u>9,266</u>

TOTAL EXPENSES 1,872,202

Increase in net assets without donor restrictions 229,927

The accompanying notes are an integral part of this statement.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL

Statement of Activities
Year Ended June 30, 2024

NET ASSETS WITH DONOR RESTRICTIONS

REVENUES AND SUPPORT

State and local operating funding 1,788,423

Federal grants 86,105

TOTAL REVENUES AND SUPPORT WITH DONOR RESTRICTIONS 1,874,528

Net assets released from donor restrictions (1,872,202)

Change in net assets with donor restrictions 2,326

CHANGE IN NET ASSETS 232,253

NET ASSETS AT BEGINNING OF YEAR 317,855

NET ASSETS AT END OF YEAR \$ 550,108

The accompanying notes are an integral part of this statement.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL

Statement of Functional Expenses
Year Ended June 30, 2024

	Instruction			Support Services								Non-instructional	
	Regular Programs	Special Education	Other Instructional Programs	Pupil Support	Instructional Staff	General Administration	School Administration	Business Services	Plant Services	Student Transportation Services	Central Services	Food Services	Total
Salary	\$ 707,416	\$ -	\$ 12,236	\$ 45,753	\$ -	\$ -	\$ 130,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 895,717
Employee benefits	84,276	752	1,131	-	-	-	17,973	-	-	-	-	-	104,132
Professional services	4,000	-	2,820	3,056	15,478	26,756	90,689	7,891	1,811	137,224	5,270	-	294,995
Insurance	-	-	-	-	-	35,342	-	-	-	-	-	-	35,342
Repairs and maintenance	-	-	-	-	-	-	-	-	8,816	-	-	-	8,816
Energy	-	-	-	-	-	-	28,052	-	13,566	-	-	-	41,618
Telephone/postage	-	-	-	-	-	-	29,220	-	-	-	-	-	29,220
Disposal services	-	-	-	-	-	-	-	-	27,391	-	-	-	27,391
Rental of land/equipment	9,017	-	-	-	-	-	-	-	196,127	-	-	-	205,144
Materials and supplies	89,743	9	30	2,910	1,797	-	4,733	23,735	4,939	-	-	462	128,358
Food	-	-	-	-	-	-	-	-	-	-	-	56,718	56,718
Miscellaneous	-	-	-	-	-	-	33,868	1,617	-	-	-	-	35,485
	<u>\$ 894,452</u>	<u>\$ 761</u>	<u>\$ 16,217</u>	<u>\$ 51,719</u>	<u>\$ 17,275</u>	<u>\$ 62,098</u>	<u>\$ 334,847</u>	<u>\$ 33,243</u>	<u>\$ 252,650</u>	<u>\$ 137,224</u>	<u>\$ 5,270</u>	<u>\$ 57,180</u>	<u>\$ 1,862,936</u>

The accompanying notes are an integral part of this statement.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL

Statement of Cash Flows
Year Ended June 30, 2024

	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 232,253
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	9,266
Rent expense in excess of cash paid	120,504
(Increase) decrease in-	
Other receivables	(415,599)
Prepaid expenses	(5,204)
Increase (decrease) in -	
Accounts payable	185,982
Accrued expenses	41,330
Deferred revenue	<u>(32,232)</u>
Net cash provided by operating activities	136,300
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(7,351)</u>
Net cash used by investing activities	(7,351)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net change in notes payable	<u>(3,794)</u>
Net cash used by financing activities	<u>(3,794)</u>
Net increase in cash	125,155
Cash at beginning of year	<u>68,381</u>
Cash at end of year	<u><u>\$ 193,536</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School (the School) was founded in 2017 as a nonprofit organization incorporated under the laws of the State of Louisiana. The School is a tuition-free, public, French immersion charter school, open to all children living anywhere in Saint Landry Parish. The focus is to prepare students from the Acadiana region to be academically proficient, bilingual, and globally competent. In May of 2019, St. Landry Parish School Board agreed by resolution to approve the School to operate a Type 1 Charter School under the supervision of the St. Landry Parish School System which is governed by the St Landry Parish School Board under Louisiana Revised Statute 17:3971. The school's operations are located in Sunset, Louisiana, and first opened its doors to students in the 2021-2022 school year with only kindergarten and 1st grade classes. The School added 2nd grade classes in the school year 2022-2023. The School added 3rd grade classes in the school year 2023-2024. It plans to continue to expand one grade a year as it grows. The School is governed by a board of directors and managed by a school leader.

Income Tax Exemption

The School 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 School does not qualify as a private School 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 School 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 School 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.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 School had net assets restricted by donors in the amount of \$148,301 at June 30, 2024. 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 School'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 end 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.

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.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The statement of activities presents expenses of the School'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 School 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, 2024.

Property and Equipment

The School follows the practice of capitalizing all individual fixed assets purchased greater than \$5,000 and fixed assets that in aggregate are greater than \$10,000 at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Fixed assets are accounted for by the following classifications: land, building, equipment, betterment, leasehold improvements, equipment, furniture, and computer hardware and software. Depreciation is computed using the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Computers	3
Office Equipment	5
Vehicles	5
Office Furniture	7
Leasehold Improvements	Life of lease or 5 years, whichever is greater
Building Improvements	20
Building	30

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

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Ten-month employees are entitled to a total of 8 paid days off per year for sickness and 2 paid days off per Ecole Saint-Landry year for personal reasons. From their date of hire, all twelve-month Ecole Saint-Landry based employees are eligible to earn up to 12 days of paid time off during their scheduled work year. These days can be used for vacation or sick purposes. Twelve-month employees will earn 1 day at the end of each month. Twelve-month employees will also be granted a total of ten days off during the summer break in addition to the regularly accrued vacation time.

Each twelve-month employee may carry over 12 days of accrued vacation over into the next fiscal or Ecole Saint-Landry year. These days will not be paid out. Sick time in excess of 8 days not taken by the end of the Ecole Saint-Landry year (for Ecole Saint-Landry based employees) or by June 30 (for administrators) will rollover to the following school year or may be transferred to another school district.

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. The School's policy is to recognize the costs of compensated absences when actually paid to employees.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the School considers all highly-liquid investments to be cash equivalents. The School did not have any cash equivalents at June 30, 2024.

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 School 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 School'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.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

The School elected to adopt these ASUs effective July 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the School's statement of financial position and 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. The adoption of FASB ASC 842 required the School to restate amounts as of July 1, 2022, resulting in an increase in operating lease right-of-use assets of \$661,917 and an increase in operating lease liability of \$661,917. During the year ended June 30, 2024, the lease agreement changed and the right-of-use asset and lease liability at July 1, 2023 had to be increased by \$344,765 and \$291,002, respectively.

Subsequent Events

The School's charter is up for renewal on June 30, 2025. Management reasonably believes that the charter will be renewed for at least through the year ended June 30, 2026. Subsequent events were evaluated through December 20, 2024, which is the date the financial statements were available to be issued.

NOTE 2 CASH

The School 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, 2024, the School had cash and interest-bearing deposits (book balances) totaling \$193,536.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Notes to Financial Statements

NOTE 3 AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School maintains cash balances at one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC insured) and the Securities Investor Protection Corporation (SPIC insured) up to \$250,000 at each institution. The School believes it is not exposed to any significant credit risk on its cash balances. At June 30, 2024, the School had no uninsured cash balances.

The following reflects the School's financial assets available for general use within one year as of June 30, 2024:

Financial assets at year end:	
Cash	\$ 193,536
Other receivables	656,612
Prepaid items	<u>35,163</u>
Total financial assets	885,311
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 885,311</u></u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2024:

Assets being depreciated:	
Equipment	\$ 64,861
Leasehold improvements	7,351
Less accumulated depreciation	<u>(17,760)</u>
Assets being depreciated, net	<u><u>\$ 54,452</u></u>

Total depreciation expense for the year ended June 30, 2024 was \$9,266.

NOTE 5 DUE FROM RELATED PARTY

Sunset French Immersion School Foundation (Foundation) was organized as a non-profit organization and is operated exclusively for the benefit of, to perform the functions of, and to carry out the purposes of the Sunset French Immersion School, Inc (School). As of June 30, 2024, the School had a Due from the Foundation in the amount of \$423,522 which is included in the total balance of Accounts Receivable on the Statement of Net Position.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Notes to Financial Statements

NOTE 6 LEASE COMMITMENT

The School has an operating lease to rent immovable property from Sunset French Immersion School Foundation. The School and Sunset French Immersion School Foundation share three board members. The lease requires rent payments, payable in monthly increments in an amount equal to all monthly principal and interest payments owed by the Foundation, on the premises rented by the School. The lease agreement is expected to continue through July 31, 2028 and is calculated at a weighted average discount rate of 6.5% which is comparable to the incremental borrowing rate of the School.

The following summarizes the line items in the statement of financial position which include amounts for the operating lease as of June 30, 2024:

Operating lease right-of-use assets	<u>\$ 762,042</u>
Current portion of operating lease liabilities	\$ 24,886
Non-current portion of operating lease liabilities	<u>911,423</u>
Total operating lease liabilities	<u>\$ 936,309</u>

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2024:

Weighted average remaining lease term	5 years
Weighted average discount rate	6.50%

The maturities of lease liabilities as of June 30, 2024 were as follows:

<u>Year ending June 30,</u>	
2025	\$ 84,995
2026	84,995
2027	84,995
2028	84,995
2029	830,690
thereafter	<u>-</u>
Total lease payments	\$ 1,170,670
Less: interest	<u>(234,362)</u>
Present value of lease liability	<u>\$ 936,308</u>

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Notes to Financial Statements

NOTE 6 LEASE COMMITMENT (CONTINUED)

The following summarizes the line item in the statement of activities which include the components of lease expense for the year ended June 30, 2024:

Lease expense included in Support Services,	
Operation and maintenance of plant	<u>\$190,254</u>

The following summarizes cash flow information related to the lease for the year ended June 30, 2024:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	<u>\$ 69,750</u>

NOTE 7 SHARED SERVICE AGREEMENT

Ecole Saint-Landry School entered into a shared services agreement with St Landry Parish School Board effective for the 2023-2024 school year. This shared services agreement seeks to ensure that students attending the School have access to an array of academic and extracurricular programs and services including services such as transportation, school food service, special education, pupil appraisal and related services, special education aide, school nurse, and school bus attendant. The services provided under this shared services agreement are reported under Support Services, Student Transportation Services at \$137,224 and Non-instructional, Food Services at \$56,718 on the Statement of Activities as of June 30, 2024.

NOTE 8 COVID-19 PANDEMIC

As a result of the COVID-19 pandemic, under the Elementary and Secondary School Emergency Relief Fund (ESSER 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 School was awarded \$44,550 under the CARES Act ESSER Formula grant. The award period is from July 1, 2023 to June 30, 2024. As of June 30, 2024, the School had earned \$44,550.

SUPPLEMENTARY INFORMATION

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule of the Governing Board (Unaudited)
Year Ended June 30, 2024

<u>Board Member</u>	<u>Term Expiration</u>
Jerry Domengeaux <i>President</i>	December 31, 2025
Lauren Leonpacher <i>Secretary</i>	December 31, 2027
Skye Duhon <i>Treasurer</i>	December 31, 2025
Toby Aguiard <i>Member</i>	December 31, 2027
Eman Boyd <i>Member</i>	December 31, 2027
Kelley Courville <i>Member</i>	December 31, 2027
Brady McKellar <i>Member</i>	December 31, 2025
John Paul Pickett <i>Member</i>	December 31, 2027

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule of Insurance in Force (Unaudited)
Year Ended June 30, 2024

Type of Coverage	Limits of Coverage	Expires	Company
Workers' Compensation	\$1,000,000	5/28/2025	LUBA Casualty Insurance Company
Student Accident	Accident medical expense benefit - \$500,000 \$25,000 maximum per student	5/28/2025	United States Fire Insurance Company
Commercial Auto & General Liab (package)	Auto liability - \$1,000,000 General liability - \$1,000,000 each occurrence General aggregate limit - \$3,000,000 Personal & advertising injury - \$1,000,000 any one entity Products/completed operations aggregate limit - \$3,000,000 Professional liability - \$1,000,000 each occurrence Sexual or physical abuse liability \$1,000,000 each occurrence Property: Contents - \$158,182 TIV Business Income & Extra Expense: \$500,000	5/28/2025	GuideOne Insurance Company
Commercial Crime	\$1,000,000 - Employee theft \$1,000,000 - Money orders and counterfeit currency	5/28/2025	Atlantic Specialty Insurance Company
Cyber & Privacy Liab.	\$1,000,000	5/28/2025	Tokio Marine HCC
Excess Liability	\$1,000,000	5/28/2025	GuideOne Insurance Company
Educators Legal & Employment Pract.	\$1,000,000	5/28/2025	GuideOne Insurance Company

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head
Year Ended June 30, 2024

Agency Head Name: Lindsay Smythe, School Leader

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 93,635
Benefits - insurance	6,959
Reimbursements	342
Registration fees	314
Conference travel	2,640
Housing	960
Other	<u>102</u>
Total	<u>\$ 104,952</u>

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



OTHER LOCATIONS:

Eunice Morgan City 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
Sunset French Immersion School, Inc.
d/b/a Ecole Saint-Landry School
Sunset, 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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 December 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School's 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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School'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 20, 2024

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Summary Schedule of Prior Year Findings
Year Ended June 30, 2024

This section is not applicable for the fiscal year ended June 30, 2024 as there were no findings for the year ended June 30, 2023.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School's financial statements as of and for the years ended June 30, 2024.

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 did not disclose any instances of noncompliance which is required to be reported under *Government Auditing Standards*.

FEDERAL AWARDS

This section is not applicable for the year ended June 30, 2024.

MANAGEMENT LETTER

A management letter was not issued for the fiscal year ended June 30, 2024.

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

This section is not applicable for the year ended June 30, 2024.

Part 3: Findings and Questioned Costs Relating to Federal Programs

This section is not applicable for the year ended June 30, 2024.

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2024

This section is not applicable for the year ended June 30, 2024.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Sunset French Immersion School, Inc.
d/b/a Ecole Saint-Landry School
Sunset, 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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School for the fiscal year ended June 30, 2024; 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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School is responsible for its performance and statistical data.

The Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all 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 School 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: One class selected had a difference in the class size reported to PEP against the roll book.

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

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

Procedures indicated testing a random sample of 25 teachers, principals, and assistant principals. However, the School only employed 14 teachers, principals, and assistant principals as of year-end; therefore, we tested the entire population.

Exceptions Noted: None.

Public School Staff Data: Average Salaries (No Schedule)

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

Procedures indicated testing a random sample of 25 teachers. However, the School only employed 13 teachers as of year-end; therefore, we tested the entire population.

Exceptions Noted: There was a clerical error in the PEP reporting that showed two teachers with a lesser amount of extra compensation than what was actually paid according to the accounting records. The difference totaled \$1,950 between the two teachers.

We were engaged by Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on

the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School and to meet our 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 Sunset French Immersion School, Inc. d/b/a Ecole Saint-Landry School, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana
December 20, 2024

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule 1 – General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Year Ended June 30, 2024

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 575,934	
Other Instructional Staff Activities	113,563	
Instructional Staff Employee Benefits	85,089	
Purchased Professional and Technical Services	4,000	
Instructional Materials and Supplies	46,030	
Instructional Equipment	<u>29,953</u>	

Total Teacher and Student Interaction Activities \$ 854,569

Other Instructional Activities 9,017

Pupil Support Activities 39,047

Less: Equipment for Pupil Support Activities -

Net Pupil Support Activities 39,047

Instructional Staff Services 12,333

Less: Equipment for Instructional Staff Services -

Net Instructional Staff Services 12,333

School Administration 334,847

Less: Equipment for School Administration -

Net School Administration 334,847

Total General Fund Instructional Expenditures \$ 1,249,813

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes \$ -

Renewable Ad Valorem Taxes -

Debt Service Ad Valorem Taxes -

Up to 1% of Collections by the Sheriff on Taxes Other Than School Taxes -

Sales and Use Taxes -

Total Local Taxation Revenue \$ -

Local Earnings on Investments in Real Property:

Earnings from 16th Section Property -

Earnings from Other Real Property -

Total Local Earnings on Investment in Real Property \$ -

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax -

Revenue Sharing - Other Tax -

Revenue Sharing - Excess Portion -

Other Revenue in Lieu of Taxes -

Total State Revenue in Lieu of Taxes \$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

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

SUNSET FRENCH IMMERSION SCHOOL, INC.
D/B/A ECOLE SAINT-LANDRY SCHOOL
Sunset, Louisiana

Schedule 2 – Class Size Characteristics
As of October 1, 2023

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	84.5%	49	10.3%	6	0.0%	-	5.2%	3
Elementary Activity Classes	88.9%	8	11.1%	1	0.0%	-	0.0%	-
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%	-