

10/04

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION**

NEW ORLEANS, LOUISIANA

Audit of Financial Statements

June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/12/11

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Independent Auditor's Report

To the Board of Directors
Pelican Educational Foundation, Inc., a Non-Profit Organization
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Pelican Educational Foundation, Inc., a Non-Profit Organization, (the Foundation), as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pelican Educational Foundation, Inc., a Non-Profit Organization, as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 15, 2010, on our consideration of the Foundation's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The schedules required by Louisiana State Law, included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The accompanying supplemental information is presented for the purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


A Professional Accounting Corporation

November 15, 2010

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Statement of Financial Position
June 30, 2010**

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 1,153,476
Grants Receivable	<u>260,358</u>
Total Current Assets	<u>1,413,834</u>
Property and Equipment	
Buildings and Improvements	139,368
Office and Classroom Equipment	233,112
Furniture and Fixtures	114,321
Less: Accumulated Depreciation	<u>(73,617)</u>
Net Property and Equipment	<u>413,184</u>
Total Assets	<u>\$ 1,827,018</u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	\$ 515,643
Accrued Expenses	<u>481,813</u>
Total Liabilities	<u>997,456</u>
Net Assets	
Unrestricted	<u>829,562</u>
Total Net Assets	<u>829,562</u>
Total Liabilities and Net Assets	<u>\$ 1,827,018</u>

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

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2010**

	Unrestricted
Support and Revenue	
State Public School Funding	\$ 7,529,887
Federal Sources	2,172,784
Donations	2,369
Other Income	<u>127,479</u>
Total Support and Revenue	<u>9,832,519</u>
Expenses	
Program Services	
Regular Education Programs	4,631,642
School Administration	1,200,909
Operation and Maintenance of Plant	1,196,686
Student Transportation Services	1,045,285
Special Education Programs	351,011
Instructional Staff Services	321,867
Pupil Support Services	192,833
Food Service Operations	178,829
Depreciation	60,455
Management and General	
General Administration	160,569
Business Services	114,518
Central Services	95,818
Building Improvement Services	<u>36,465</u>
Total Expenses	<u>9,586,887</u>
Change in Net Assets	245,632
Net Assets, Beginning of Year	<u>583,930</u>
Net Assets, End of Year	<u><u>\$ 829,562</u></u>

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

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2010**

Cash Flows from Operating Activities	
Change in Net Assets	\$ 245,632
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	60,455
(Increase) Decrease in:	
Grants Receivable	423,195
Accounts Receivable	28,724
Increase (Decrease) in:	
Accounts Payable	174,139
Accrued Expenses	345,793
Deferred Revenue	<u>(28,824)</u>
Net Cash Provided by Operating Activities	<u>1,249,114</u>
Cash Flows from Investing Activities	
Property and Equipment Purchases	<u>(352,786)</u>
Net Cash Used in Investing Activities	<u>(352,786)</u>
Net Increase in Cash and Cash Equivalents	896,328
Cash and Cash Equivalents, Beginning of Year	<u>257,148</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,153,476</u></u>

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

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Pelican Educational Foundation, Inc. (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 began their first year of school on August 7, 2009.

A summary of the Foundation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Financial Statement Presentation

The Foundation follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, the Foundation is required to present a statement of cash flows.

The Foundation also follows the guidance of the *Not-for-Profit Entities* Topic of the FASB ASC, whereby contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose of restrictions. Restricted contributions are classified as unrestricted if the restriction was met in the same year the contribution was made.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the Foundation are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Revenues

The Foundation's primary source of funding is through the State Public School Fund. The Foundation receives funding per eligible student in attendance on October 1st, payable in monthly installments. The October 1st student count is audited by the Louisiana Department of Education. Adjustments are made in the following year. State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or estimated historical cost, if historical cost is not available. Betterments, which naturally add to the value of related assets or materially extend the useful lives of assets, are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the Foundation.

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense totaled \$60,455 for the year ended June 30, 2010. The following are the estimated useful lives of the fixed assets of the Foundation:

Description	Estimated Useful Lives
Buildings	30 Years
Building Improvements	15 Years
Furniture and Fixtures	7 Years
Office and Classroom Equipment	5 Years

Income Taxes

The Foundation is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization.

Statement of Cash Flows

For purposes of the statement of cash flows, the Foundation considers all investments purchased with an original maturity of three months or less to be a cash equivalent.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Concentrations

The Foundation received 77% of its revenues for the year ended June 30, 2010, from the State of Louisiana, subject to its charter agreement with the State.

Compensated Absences

The Board of Directors of the Foundation grants all contracted employees a total of five days of sick pay per year, provided, however, that the employee is contracted for a full year. At June 30, 2010, the Foundation paid each employee for any unused sick pay.

Note 2. Cash and Cash Equivalents

As of June 30, 2010, cash consisted of demand deposits in local banks in the amount of \$1,153,476. The Foundation periodically maintains cash in bank accounts in excess of insured limits. The Foundation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Note 3. Grants Receivable

As of June 30, 2010, grants receivable consisted of \$260,358 due from federal sources. All amounts are considered fully collectible.

Note 4. Retirement Plan

Employees of the Foundation are eligible to participate in the defined contribution plan administered by American United Life. Pertinent information relative to the plan follows:

Plan Description

The plan is a 403(b) defined contribution plan.

Funding Policy

Employees are allowed to make contributions during the year subject to the limitations imposed by the IRS. Employer matching contributions are voluntary and are set at a maximum of 15.5% of the participating employees' salary. No such contributions were made during the year.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 5. Fixed Assets

All 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 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.

Note 6. Leases

The Foundation is obligated under a lease with the Recovery School District (RSD) for the modular campus located at 5552 Read Boulevard, New Orleans, Louisiana. The lease is classified as an operating lease and the lease term coincides with the terms of the Charter Contract between the Foundation and BESE. The RSD will forego any lease payments for the term of the lease.

The Foundation is obligated under five leases for copiers under various operating lease agreements which expire between July 31, 2010, and July 28, 2013. Lease payments for the year ended June 30, 2010, totaled \$19,429 and are included in building improvement services expenses in the accompanying financial statements.

Future minimum lease payments are as follows for the years ended June 30th:

<u>Year</u>	<u>Amount</u>
2011	\$ 16,367
2012	15,628
2013	15,628
2014	<u>480</u>
Total	<u>\$ 48,103</u>

Note 7. Uncertain Income Taxes

On July 1, 2009, the Foundation adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. The implementation of this topic had no impact on the statement of financial position or statement of activities.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Uncertain Income Taxes (Continued)

The Foundation's 2007 and 2008 tax returns were filed appropriately. As of November 15, 2010, the Foundation had not filed their 2009 tax return. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Foundation's tax filings are subject to audit by various taxing authorities. The Foundation's open audit periods are 2006 through 2009. Management has evaluated the Foundation's tax position and concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

Note 8. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 15, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Pelican Educational Foundation, Inc., a Non-Profit Organization
New Orleans, 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 Non-Profit Organization, (the Foundation) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Foundation, 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. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the 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 that relate to the accompanying schedules of supplemental information are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 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 accounts 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
 - Nonpublic Transportation Revenue

Findings:

None

Education Levels of Public School Staff (Schedule 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 4) to the combined total number of full time classroom teachers per this schedule, and to the Foundation's supporting payroll records, as of October 1st.
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 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 1st, and as reported on the schedule. We traced each of the teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

Findings:

None

Number and Type of Public Schools (Schedule 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 I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings:

None

Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers (Schedule 4)

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

Findings:

None

Public School Staff Data (Schedule 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 each to the individual's personnel file and determined if the individual's salary, extra compensation and full time equivalents were properly included on the schedule.

Findings:

None

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

Findings:

None

Class Size Characteristics (Schedule 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 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings:

None

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the Foundation.

Findings:

None

Graduation Exit Exam (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the Foundation.

Findings:

None

iLEAP Test Results (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the Foundation.

Findings:

None

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. 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 use of management of the Foundation, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, 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 Louisiana Legislative Auditor as a public document.


A Professional Accounting Corporation

November 15, 2010

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and For the Year Ended June 30, 2010**

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

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

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D. or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers

This schedule includes the number of years of experience in teaching for principals, assistant principals and full time teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Exam

This schedule represents student performance testing data and includes summary scores for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data) (Continued)
As of and For the Year Ended June 30, 2010**

Schedule 9 - iLEAP Test Results

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 in each category tested. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. This schedule includes three years of data.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2010**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$ 3,130,849
Other Instructional Staff Salaries	391,290
Instructional Staff Employee Benefits	785,581
Purchased Professional and Technical Services	131,552
Instructional Materials and Supplies	425,931
Instructional Equipment	-

Total Teacher and Student Interaction Activities **\$ 4,865,203**

Other Instructional Activities 117,450

Pupil Support Services	192,833
Less: Equipment for Pupil Support Services	-

Net Pupil Support Services **192,833**

Instructional Staff Services	321,867
Less: Equipment for Instructional Staff Services	-

Net Instructional Staff Services **321,867**

School Administration	888,974
Less: Equipment for School Administration	-

Net School Administration **888,974**

Total General Fund Instructional Expenditures **\$ 6,386,327**

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 **\$ -**

See independent accountant's report on applying agreed-upon procedures.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Education Levels of Public School Staff
As of October 1, 2009**

Schedule 2

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	37	81%	18	78%	3	75%	2	100%
Master's Degree	7	15%	5	22%	1	25%		
Master's Degree +30	2	4%						
Specialist in Education								
Ph. D. or Ed. D.								
Total	46	100%	23	100%	4	100%	2	100%

See independent accountant's report on applying agreed-upon procedures.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2010**

Schedule 3

Type	Number
Elementary	
Middle/Jr. High	1
Secondary	
Combination	1
Total	2

See independent accountant's report on applying agreed-upon procedures.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Experience of Public Principals, Assistant Principals
and Full Time Classroom Teachers
As of October 1, 2009**

Schedule 4

	0 - 1 Yr.	2 - 3 Yrs.	4 -10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Assistant Principals		2	2					4
Principals			2					2
Classroom Teachers	48	12	8			1		69
Total	48	14	12			1		75

See independent accountant's report on applying agreed-upon procedures.

PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Public School Staff Data
For the Year Ended June 30, 2010

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$40,030	\$40,030
Average Classroom Teachers' Salary Excluding Extra Compensation	\$40,030	\$40,030
Number of Teacher Full Time Equivalent (FTEs) used in Computation of Average Salaries	67.12	67.12

See independent accountant's report on applying agreed-upon procedures.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Class Size Characteristics
As of October 1, 2009**

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Middle/Jr. High	20%	4	75%	15	5%	1		
Middle/Jr. High Activity Classes								
Combination	30%	6	55%	11	15%	3		
Combination Activity Classes								

See independent accountant's report on applying agreed-upon procedures.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
 A NON-PROFIT ORGANIZATION
 NEW ORLEANS, LOUISIANA**
 Louisiana Educational Assessment Program (LEAP)
 For the Year Ended June 30, 2010

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2010		2009		2008		2010		2009		2008		2010		2009		2008		2010		2009		2008	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 4	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Advanced	3	7%	3	9%	3	6%	4	10%	1	3%	1	3%	0	0%	1	3%	0	0%	0	0%	0	0%	2	4%
Mastery	16	39%	20	59%	16	34%	21	51%	19	56%	14	30%	15	36%	18	53%	14	30%	20	48%	18	53%	11	23%
Approaching Basic	16	39%	6	17%	7	15%	10	24%	10	29%	14	30%	17	40%	10	29%	18	38%	9	21%	11	32%	12	26%
Unsatisfactory	6	15%	5	15%	21	45%	6	15%	4	12%	18	38%	10	24%	5	15%	15	32%	13	31%	5	15%	22	47%
Total	41	100%	34	100%	47	100%	41	100%	34	100%	47	100%	42	100%	34	100%	47	100%	42	100%	34	100%	47	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2010		2009		2008		2010		2009		2008		2010		2009		2008		2010		2009		2008	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 8	0	0%	0	0%	0	0%	0	0%	1	2%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Advanced	6	3%	3	7%	1	2%	3	2%	1	2%	0	0%	5	3%	2	5%	0	0%	5	3%	3	7%	0	0%
Mastery	64	37%	26	61%	8	20%	58	34%	18	42%	5	13%	37	21%	8	18%	4	10%	62	36%	20	47%	5	13%
Approaching Basic	81	48%	10	23%	18	45%	72	41%	15	35%	22	55%	79	46%	21	49%	11	28%	64	37%	10	23%	10	25%
Unsatisfactory	21	12%	4	9%	13	33%	39	23%	8	19%	13	32%	52	30%	12	28%	25	62%	42	24%	10	23%	25	62%
Total	172	100%	43	100%	40	100%	172	100%	43	100%	40	100%	173	100%	43	100%	40	100%	173	100%	43	100%	40	100%

See independent accountant's report on applying agreed-upon procedures.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Graduation Exit Exam
For the Year Ended June 30, 2010**

Schedule 8

District Achievement Level Results	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 10												
Advanced	1	5%	0	0%	N/A		4	18%	2	8%	N/A	
Mastery	4	18%	0	0%	N/A		2	9%	4	16%	N/A	
Basic	6	27%	12	48%	N/A		8	37%	10	40%	N/A	
Approaching Basic	8	36%	9	36%	N/A		4	18%	5	20%	N/A	
Unsatisfactory	3	14%	4	16%	N/A		4	18%	4	16%	N/A	
Total	22	100%	25	100%	N/A		22	100%	25	100%	N/A	

District Achievement Level Results	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 11												
Advanced	0	0%	N/A		N/A		0	0%	N/A		N/A	
Mastery	0	0%	N/A		N/A		1	4%	N/A		N/A	
Basic	12	44%	N/A		N/A		16	59%	N/A		N/A	
Approaching Basic	8	30%	N/A		N/A		8	30%	N/A		N/A	
Unsatisfactory	7	26%	N/A		N/A		2	7%	N/A		N/A	
Total	27	100%	N/A		N/A		27	100%	N/A		N/A	

Note: The Foundation's first year of testing for 10th grade was 2009. There are no results for the year 2008. The Foundation's first year of testing for 11th grade was 2010. There are no results for the years 2009 or 2008.

See independent accountant's report on applying agreed-upon procedures.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
iLEAP Test Results
For the Year Ended June 30, 2010**

Schedule 9

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	5	10%	5	10%	5	10%	4	8%
Basic	19	37%	15	29%	8	16%	15	29%
Approaching Basic	8	16%	14	27%	20	39%	14	27%
Unsatisfactory	19	37%	17	34%	18	35%	18	36%
Total	51	100%	51	100%	51	100%	51	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	2%	0	0%	0	0%	0	0%
Mastery	1	2%	1	2%	2	4%	2	4%
Basic	18	38%	20	43%	10	21%	17	36%
Approaching Basic	19	41%	16	34%	27	58%	14	30%
Unsatisfactory	8	17%	10	21%	8	17%	14	30%
Total	47	100%	47	100%	47	100%	47	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	1%	0	0%	0	0%	9	5%
Mastery	10	6%	9	5%	12	7%	16	9%
Basic	88	49%	100	55%	67	37%	64	35%
Approaching Basic	56	31%	41	23%	71	39%	58	32%
Unsatisfactory	24	13%	31	17%	30	17%	34	19%
Total	180	100%	181	100%	180	100%	181	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	1	1%	1	1%	1	1%
Mastery	11	7%	5	3%	11	7%	9	6%
Basic	55	35%	75	48%	50	32%	56	36%
Approaching Basic	59	39%	48	31%	68	44%	41	26%
Unsatisfactory	30	19%	26	17%	25	16%	48	31%
Total	155	100%	155	100%	155	100%	155	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
Students	Number	Percent	Number	Percent
Grade 8				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	20	57%	21	60%
Approaching Basic	14	40%	7	20%
Unsatisfactory	1	3%	7	20%
Total	35	100%	35	100%

See independent accountant's report on applying agreed-upon procedures.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
ILEAP Test Results
For the Year Ended June 30, 2010**

Schedule 9 (Continued)

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	2	4%	3	7%	1	2%	4	10%
Basic	15	36%	15	36%	12	28%	14	33%
Approaching Basic	15	36%	15	36%	19	46%	15	36%
Unsatisfactory	10	24%	9	21%	10	24%	9	21%
Total	42	100%	42	100%	42	100%	42	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	1	3%	2	7%	0	0%	0	0%
Basic	16	57%	21	75%	9	32%	11	39%
Approaching Basic	8	29%	3	11%	17	61%	12	43%
Unsatisfactory	3	11%	2	7%	2	7%	5	18%
Total	28	100%	28	100%	28	100%	28	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	1	5%	0	0%	0	0%
Mastery	1	6%	0	0%	1	5%	0	0%
Basic	8	47%	8	47%	8	47%	13	76%
Approaching Basic	6	35%	4	24%	4	24%	3	18%
Unsatisfactory	2	12%	4	24%	4	24%	1	6%
Total	17	100%	17	100%	17	100%	17	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	0	0%	0	0%	2	6%
Basic	12	37%	14	44%	15	47%	20	63%
Approaching Basic	14	44%	10	31%	8	25%	7	22%
Unsatisfactory	6	19%	8	25%	9	28%	3	9%
Total	32	100%	32	100%	32	100%	32	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
Students	Number	Percent	Number	Percent
Grade 8				
Advanced	0	0%	0	0%
Mastery	2	7%	2	7%
Basic	15	54%	14	50%
Approaching Basic	9	32%	8	28%
Unsatisfactory	2	7%	4	15%
Total	28	100%	28	100%

See independent accountant's report on applying agreed-upon procedures.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
iLEAP Test Results
For the Year Ended June 30, 2010**

Schedule 9 (Continued)

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	2	4%	1	2%	1	2%	2	5%
Basic	13	29%	12	27%	10	22%	13	29%
Approaching Basic	13	29%	15	33%	19	42%	15	33%
Unsatisfactory	17	38%	17	38%	15	34%	15	33%
Total	45	100%	45	100%	45	100%	45	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	0	0%	1	4%	1	4%
Basic	3	12%	7	28%	5	20%	9	36%
Approaching Basic	8	32%	5	20%	10	40%	9	36%
Unsatisfactory	14	56%	13	52%	9	36%	6	24%
Total	25	100%	25	100%	25	100%	25	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	0	0%	0	0%	0	0%	0	0%
Basic	10	24%	15	36%	14	33%	13	31%
Approaching Basic	19	45%	14	33%	14	33%	19	45%
Unsatisfactory	13	31%	13	31%	14	34%	10	24%
Total	42	100%	42	100%	42	100%	42	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	2%	1	2%	0	0%	0	0%
Mastery	1	2%	0	0%	0	0%	1	2%
Basic	13	28%	13	28%	13	28%	13	28%
Approaching Basic	19	42%	12	26%	12	26%	11	24%
Unsatisfactory	12	25%	20	44%	21	46%	21	46%
Total	46	100%	46	100%	46	100%	46	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	8	26%	10	32%
Approaching Basic	12	39%	10	32%
Unsatisfactory	11	35%	11	36%
Total	31	100%	31	100%

See independent accountant's report on applying agreed-upon procedures.

SUPPLEMENTAL INFORMATION

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Schedule of Board of Directors
For the Year Ended June 30, 2010**

BOARD MEMBERS

COMPENSATION

Tevfik Kosar, President
1324 Rue Desiree
Baton Rouge, LA 70810
225-650-5508

\$-0-

Karen Fontenot, Vice President
1143 N. General Pershing Street
Hammond, LA 70401
985-542-2948

\$-0-

Orphan Kizilkaya, Secretary
9402 Boone Drive
Baton Rouge, LA 70810
225-588-1411

\$-0-

Adem Ozel, Treasurer
3603 Ole Miss Drive
Kenner, LA 70065
504-463-0660

\$-0-

Cynthia Bryant, Ph.D., Educational Counsel
8825 Airline Highway
Baton Rouge, LA 70815
225-803-2795

\$-0-

Eugene Kennedy, Ph.D.
111 Peabody Hall, LSU
Baton Rouge, LA 70803
225-578-2193

\$-0-

Mehmet F. Cihan
A.B. Freeman School of Business
New Orleans, LA 70005
773-817-4831

\$-0-

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Combining Statement of Financial Position
June 30, 2010**

	Abramson Science and Technology Charter School	Kenilworth Science and Technology Charter School	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 1,005,358	\$ 148,118	\$ 1,153,476
Grants Receivable	6,866	253,492	260,358
Intercompany Balances	20,000	(20,000)	-
Total Current Assets	1,032,224	381,610	1,413,834
Property and Equipment			
Buildings and Improvements	34,468	104,900	139,368
Office and Classroom Equipment	143,582	89,430	233,112
Furniture and Fixtures	27,499	86,822	114,321
Less: Accumulated Depreciation	(43,891)	(29,726)	(73,617)
Net Property and Equipment	161,758	251,426	413,184
Total Assets	\$ 1,193,982	\$ 633,036	\$ 1,827,018
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 189,726	\$ 325,917	\$ 515,643
Accrued Expenses	295,259	186,554	481,813
Total Liabilities	484,985	512,471	997,456
Net Assets			
Unrestricted	708,997	120,565	829,562
Total Net Assets	708,997	120,565	829,562
Total Liabilities and Net Assets	\$ 1,193,982	\$ 633,036	\$ 1,827,018

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Combining Statement of Activities
For the Year Ended June 30, 2010**

	Unrestricted		Total
	Abramson Science and Technology Charter School	Kenilworth Science and Technology Charter School	
Support and Revenue			
State Public School Funding	\$ 3,374,421	\$ 4,155,466	\$ 7,529,887
Federal Sources	1,045,552	1,127,232	2,172,784
Donations	2,369	-	2,369
Other Income	45,456	82,023	127,479
Total Support and Revenue	4,467,798	5,364,721	9,832,519
Expenses			
Program Services			
Regular Education Programs	2,180,448	2,451,194	4,631,642
School Administration	576,935	623,974	1,200,909
Operation and Maintenance of Plant	476,996	719,690	1,196,686
Student Transportation Services	431,077	614,208	1,045,285
Special Education Programs	126,871	224,140	351,011
Instructional Staff Services	173,266	148,601	321,867
Pupil Support Services	113,815	79,018	192,833
Food Service Operations	14,740	164,089	178,829
Depreciation	30,729	29,726	60,455
Management and General			-
General Administration	82,872	77,697	160,569
Business Services	79,957	34,561	114,518
Central Services	55,025	40,793	95,818
Building Improvement Services	-	36,465	36,465
Total Expenses	4,342,731	5,244,156	9,586,887
Change in Net Assets	125,067	120,565	245,632
Net Assets, Beginning of Year	583,930	-	583,930
Net Assets, End of Year	\$ 708,997	\$ 120,565	\$ 829,562



**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
Pelican Educational Foundation, Inc., a Non-Profit Organization
New Orleans, Louisiana

We have audited the financial statements of the Pelican Educational Foundation, Inc., a Non-Profit Organization (the Foundation), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 15, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

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 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.

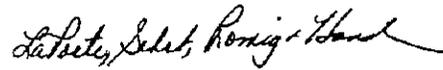
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of 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*.

We noted certain matters that we reported to management of the Foundation in a separate letter dated November 15, 2010.

This report is intended for the information of management, the Board of Directors, the Louisiana Legislative Auditor, the Louisiana Department of Education, the Recovery School District, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

November 15, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Pelican Educational Foundation, Inc., a Non-Profit Organization
New Orleans, Louisiana

Compliance

We have audited the compliance of the Pelican Educational Foundation, Inc., a Non-Profit Organization, (the Foundation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

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. Our audit does not provide a legal determination of the Foundation's compliance with those requirements.

In our opinion the Foundation complied, in all material respects, with the 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, 2010.

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111 VETERANS MEMORIAL BOULEVARD, SUITE 600, METairie, LA 70005 • 504.835.5522 • FAX 504.835.5535
5100 VILLAGE WALK, SUITE 300, COVINGTON, LA 70433-4012 • 985.892.5850 • FAX 985.892.5956
TOWN HALL WEST, 10000 PERKINS ROWE, STE. 200, BATON ROUGE, LA 70810-1797 • 225.296.5150 • FAX 225.296.5151
WWW.LAPORTE.COM

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Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



A Professional Accounting Corporation

November 15, 2010

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Expenditures
United States Department of Education		
Passed through the Louisiana Department of Education		
Title I - Grants to Local Educational Agencies	84.010	\$ 816,070 *
Title I - Grants to Local Educational Agencies, Recovery Act	84.389	155,796 *
Improving Teacher Quality State Grants - Title II Grants	84.367	150,762
Safe and Drug-Free Schools and Communities - State Grants	84.186	11,480
Special Education - Grants to States (IDEA Part B)	84.027	207,240
Special Education - Grants to States (IDEA Part B), Recovery Act	84.391	240,876 *
Public Charter School Program	84.282	495,791 *
State Fiscal Stabilization Fund (SFSF), Education State Grants, Recovery Act	84.394	<u>94,769 *</u>
Total		<u>\$ 2,172,784</u>

* Denotes Major Program

Notes to the Schedule of Expenditures of Federal Awards

Note 1 - The schedule is prepared on the accrual basis of accounting.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010**

A. Summary of Audit Results

Financial Statements

- | | |
|-------------------------------------------------------------------------------|-------------|
| 1) Type of auditor's report | Unqualified |
| 2) Compliance and internal control over financial reporting | |
| a) Material weaknesses identified | None |
| b) Significant deficiency identified not considered to be material weaknesses | None |
| c) Noncompliance noted | None |
| 3) Management letter comment provided | Yes |

Federal Awards

- | | |
|------------------------------------------------------------------------------------------|-------------|
| 4) Internal control over major programs | |
| a) Material weaknesses identified | None |
| b) Significant deficiency identified not considered to be material weaknesses | None |
| 5) Type of auditor's report issued on compliance for major program | Unqualified |
| 6) Audit findings disclosed that are required in accordance with OMB A-133, Section 510a | None |
| 7) Identification of major programs | |
| 84.010 - Title I Grants to Local Educational Agencies | |
| 84.389 - Title I Grants to Local Educational Agencies, Recovery Act | |
| 84.391 - Special Education - Grants to States (IDEA Part B), Recovery Act | |
| 84.282 - Public Charter School Program | |
| 84.394 - State Fiscal Stabilization Fund (SFSF), Education State Grants, Recovery Act | |
| 8) Dollar threshold used to distinguish between Type A and B programs | \$300,000 |
| 9) Auditee qualified as a low-risk auditee under OMB A-133, Section 530 | No |

PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010

B. Findings - Financial Statement Audit

I. Compliance and Internal Control Over Financial Reporting

None.

II. Management Letter Comment

Recommendation: We recommend that the Foundation evaluate the process for filing exempt status documentation with vendors and review invoices for sales tax on purchases.

Management

Response: The Foundation is evaluating the current process and will revise accordingly.

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None.

**PELICAN EDUCATIONAL FOUNDATION, INC.,
A NON-PROFIT ORGANIZATION
NEW ORLEANS, LOUISIANA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2010**

Section A. Findings Related to the Financial Statements

I. Compliance and Internal Control Over Financial Reporting

2009 - 1 Allowable Costs - Employee Certifications (CFDA 84.010A)

Status: This condition has been resolved. Management has taken the necessary steps to prepare proper certifications for all employees.

II. Management Letter Comment

Improve Invoice Approval Documentation

Status: This condition has been resolved.

Approval of Expense Reports

Status: This condition has been resolved.

Section B. Findings and Questioned Costs Related to Major Federal Award Programs

None.



MANAGEMENT LETTER

To the Board of Directors
Pelican Educational Foundation, Inc., a Non-Profit Organization
New Orleans, Louisiana

In planning and performing our audit of the financial statements of Pelican Educational Foundation, Inc., a Non-Profit Organization, (the Foundation) as of and for the year ended June 30, 2010, we considered the Foundation's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal controls. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

However, during our audit, we became aware of certain matters that may result in an opportunity to strengthen internal controls and operating efficiency. This letter does not affect our report dated November 15, 2010, on the financial statements of the Foundation.

We will review the status of these comments during our next engagement. We will be pleased to discuss these comments in further detail at your convenience, or to assist you in implementing the recommendations. Our comments are as follows:

Improve Invoice Review Process

During our audit we noted that the Foundation paid sales tax on the purchase of equipment. Being that the Foundation is exempt from paying sales tax, it is important that the Foundation remit the proper documentation to vendors to ensure sales tax will not be invoiced on purchases. We recommend the Foundation review procedures for filing the documentation with vendors and review invoices for sales tax included on purchases.

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

A Professional Accounting Corporation

November 15, 2010

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111 VETERANS MEMORIAL BOULEVARD, SUITE 600, METairie, LA 70005 • 504.835.5522 • FAX 504.835.5535
5100 VILLAGE WALK, SUITE 300, COVINGTON, LA 70433-4012 • 985.892.5850 • FAX 985.892.5056
TOWN HALL WEST, 10000 PERKINS ROWE, STE. 200, BATON ROUGE, LA 70810-1797 • 225.296.5150 • FAX 225.296.5151
WWW.LAPORTE.COM

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