

CRESCENT CITY SCHOOLS AND SUBSIDIARY

NEW ORLEANS, LOUISIANA

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
Crescent City Schools and Subsidiary
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidating financial statements of Crescent City Schools and Subsidiary (a nonprofit corporation), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Crescent City Schools and Subsidiary as of June 30, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crescent City Schools and Subsidiary 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Crescent City Schools and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Directors and Management of
Crescent City Schools and Subsidiary
New Orleans, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, the *Louisiana Governmental Audit Guide*, 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 Crescent City Schools and Subsidiary'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 Crescent City Schools and Subsidiary'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.



To the Board of Directors and Management of
Crescent City Schools and Subsidiary
New Orleans, Louisiana

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information contained in Schedules “1” through “4” is presented for the purposes of additional analysis and is also not a required part of the consolidated financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head (Schedule “1”), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the consolidated 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 consolidating 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 consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024 on our consideration of Crescent City Schools and Subsidiary’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Crescent City Schools and Subsidiary’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crescent City Schools and Subsidiary’s internal control over financial reporting and compliance.

December 27, 2024
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

FINANCIAL STATEMENTS

CRESCENT CITY SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 1,957,311	\$ 3,744,795
Investments	13,859,636	5,793,371
Grant receivables	956,463	3,610,780
Other receivables	115,064	2,677,353
Prepaid expenses	<u>71,667</u>	<u>338,605</u>
Total current assets	<u>16,960,141</u>	<u>16,164,904</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>10,058,288</u>	<u>9,581,094</u>
<u>OTHER ASSETS:</u>		
Right of use assets - operating leases, net	247,168	139,554
Deposits	<u>52,035</u>	<u>52,035</u>
Total other assets	<u>299,203</u>	<u>191,589</u>
Total assets	<u>\$ 27,317,632</u>	<u>\$ 25,937,587</u>
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 1,433,304	\$ 2,855,541
Accrued expenses	1,282,351	1,185,627
Current portion of operating leases	50,170	68,806
Current portion of long-term debt	<u>225,758</u>	<u>214,394</u>
Total current liabilities	<u>2,991,583</u>	<u>4,324,368</u>
<u>NON-CURRENT LIABILITIES:</u>		
Operating leases, net of current portion	196,998	70,748
Long-term debt, net of current portion and deferred financing fees	<u>6,738,065</u>	<u>6,856,913</u>
Total non-current liabilities	<u>6,935,063</u>	<u>6,927,661</u>
Total liabilities	<u>9,926,646</u>	<u>11,252,029</u>
<u>NET ASSETS:</u>		
Without donor restrictions	16,992,961	14,638,665
With donor restrictions	<u>398,025</u>	<u>46,893</u>
Total net assets	<u>17,390,986</u>	<u>14,685,558</u>
Total liabilities and net assets	<u>\$ 27,317,632</u>	<u>\$ 25,937,587</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CRESCENT CITY SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
State/local minimum foundation program funding	\$ 34,829,451	\$ -	\$ 34,829,451
Federal grants	10,587,805	-	10,587,805
Other state funding	2,117,811	-	2,117,811
Private contributions and grants of financial assets	3,097,692	479,769	3,577,461
Contributions of nonfinancial assets	259,119	-	259,119
Investment income	431,264	-	431,264
Other income	1,864,728	-	1,864,728
Net assets released from restrictions	<u>128,637</u>	<u>(128,637)</u>	<u>-</u>
 Total revenue	 <u>53,316,507</u>	 <u>351,132</u>	 <u>53,667,639</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	20,813,963	-	20,813,963
General non-instructional	18,592,842	-	18,592,842
Special education	7,637,757	-	7,637,757
Special programs	1,347,419	-	1,347,419
Support services:			
Administration	<u>2,570,230</u>	<u>-</u>	<u>2,570,230</u>
 Total expenses	 <u>50,962,211</u>	 <u>-</u>	 <u>50,962,211</u>
 Change in net assets	 2,354,296	 351,132	 2,705,428
Net assets, beginning of year	<u>14,638,665</u>	<u>46,893</u>	<u>14,685,558</u>
Net assets, end of year	<u>\$ 16,992,961</u>	<u>\$ 398,025</u>	<u>\$ 17,390,986</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CRESCENT CITY SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE:</u>			
State/local minimum foundation program funding	\$ 29,712,920	\$ -	\$ 29,712,920
Federal grants	14,125,014	-	14,125,014
Other state funding	961,913	-	961,913
Private contributions and grants of financial assets	2,802,972	37,500	2,840,472
Contributions of nonfinancial assets	946,880	-	946,880
Investment income	197,380	-	197,380
Other income	1,134,100	-	1,134,100
Net assets released from restrictions	135,515	(135,515)	-
Total revenue	50,016,694	(98,015)	49,918,679
<u>EXPENSES:</u>			
Program services:			
General instructional	17,774,976	-	17,774,976
General non-instructional	17,085,963	-	17,085,963
Special education	6,979,438	-	6,979,438
Special programs	853,826	-	853,826
Support services:			
Administration	2,432,523	-	2,432,523
Total expenses	45,126,726	-	45,126,726
Change in net assets	4,889,968	(98,015)	4,791,953
Net assets, beginning of year	9,748,697	144,908	9,893,605
Net assets, end of year	\$ 14,638,665	\$ 46,893	\$ 14,685,558

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CRESCENT CITY SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services				Support Services	
	General	General	Special	Special	Administration	Total
	Instructional	Non-Instructional	Education	Programs		
Salaries	\$ 13,655,274	\$ 5,071,220	\$ 5,318,524	\$ 945,152	\$ 1,199,154	\$ 26,189,324
Employee benefits	1,421,897	699,048	636,631	109,050	284,738	3,151,364
Retirement	460,515	157,815	183,064	32,556	49,537	883,487
Payroll taxes	1,016,321	373,333	404,473	69,655	82,220	1,946,002
Purchased educational services	896,216	-	666,763	95	35,976	1,599,050
Other purchased professional services	14,793	236,050	52,709	-	138,691	442,243
Purchased technical services	178,134	719,813	-	-	33,761	931,708
Utilities	-	709,038	4,630	-	34,033	747,701
Repairs and maintenance	-	1,928,809	-	-	-	1,928,809
Rentals	176,572	331,706	-	-	227	508,505
Student transportation	-	1,708,507	345,482	-	-	2,053,989
Insurance	-	808,632	-	-	5,753	814,385
Communications	364,418	229,729	-	-	10,112	604,259
Advertising, printing, and binding	-	133,069	-	-	132,677	265,746
Food service	-	3,296,442	-	119,426	35,143	3,451,011
Travel	1,959	12	-	-	15,023	16,994
Miscellaneous purchased services	175,543	-	-	1,096	-	176,639
Materials and supplies	1,769,232	444,443	18,397	53,127	56,615	2,341,814
Books and periodicals	635,783	-	7,084	17,262	-	660,129
Dues and fees	47,306	1,286,000	-	-	17,155	1,350,461
Depreciation	-	453,193	-	-	21,651	474,844
Interest	-	5,983	-	-	417,764	423,747
Total expenses	\$ 20,813,963	\$ 18,592,842	\$ 7,637,757	\$ 1,347,419	\$ 2,570,230	\$ 50,962,211

CRESCENT CITY SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services				Support Services	
	General Instructional	General Non-Instructional	Special Education	Special Programs	Administration	Total
Salaries	\$ 11,108,590	\$ 3,887,572	\$ 4,553,130	\$ 580,152	\$ 1,101,413	\$ 21,230,857
Employee benefits	1,338,305	609,402	532,600	83,652	280,399	2,844,358
Retirement	375,615	138,782	150,952	15,921	47,886	729,156
Payroll taxes	831,243	283,310	342,023	42,495	73,905	1,572,976
Purchased educational services	678,170	-	749,712	-	6,494	1,434,376
Other purchased professional services	19,537	520,180	37,087	-	211,449	788,253
Purchased technical services	109,327	466,061	-	-	53,969	629,357
Utilities	-	610,367	-	-	33,412	643,779
Repairs and maintenance	-	2,064,527	-	-	-	2,064,527
Rentals	196,687	919,566	-	-	3,680	1,119,933
Student transportation	-	2,269,940	578,944	-	-	2,848,884
Insurance	-	485,093	-	-	10,324	495,417
Communications	288,688	230,778	-	-	10,418	529,884
Advertising, printing, and binding	-	44,267	-	-	65,596	109,863
Food service	-	2,789,915	-	80,506	2,825	2,873,246
Travel	8,947	-	-	-	23,801	32,748
Miscellaneous purchased services	161,977	-	-	912	1,750	164,639
Materials and supplies	2,204,132	385,510	22,839	31,345	30,146	2,673,972
Books and periodicals	407,861	-	12,151	18,843	-	438,855
Dues and fees	45,897	944,662	-	-	26,045	1,016,604
Depreciation	-	429,613	-	-	23,517	453,130
Interest	-	6,418	-	-	425,494	431,912
	<u>\$ 17,774,976</u>	<u>\$ 17,085,963</u>	<u>\$ 6,979,438</u>	<u>\$ 853,826</u>	<u>\$ 2,432,523</u>	<u>\$ 45,126,726</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CRESCENT CITY SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 2,705,428	\$ 4,791,953
Adjustments to reconcile change in net assets to cash and cash equivalents from (used for) operating activities:		
Depreciation expense	474,844	453,130
Amortization expense	82,388	82,389
(Increase) decrease in:		
Grant receivables	2,654,317	(1,132,968)
Other receivables	2,562,289	(2,627,708)
Prepaid expenses	266,938	(279,215)
Increase (decrease) in:		
Accounts payable	(1,422,237)	600,428
Accrued expenses	96,724	(709,626)
Deferred revenue	-	(89,500)
	<u>7,420,691</u>	<u>1,088,883</u>
Net cash from operating activities		
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Capital expenditures	(952,038)	(788,833)
Purchase of investments	(13,041,265)	(3,412,326)
Proceeds from sale of investments	<u>4,975,000</u>	<u>6,050,000</u>
	<u>(9,018,303)</u>	<u>1,848,841</u>
Net cash from (used for) investing activities		
<u>CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES:</u>		
Payments on loans payable	<u>(189,872)</u>	<u>(189,167)</u>
	<u>(189,872)</u>	<u>(189,167)</u>
Net cash (used for) financing activities		
Net increase (decrease) in cash and cash equivalents	(1,787,484)	2,748,557
Cash and cash equivalents, beginning of year	<u>3,744,795</u>	<u>996,238</u>
Cash and cash equivalents, end of year	<u>\$ 1,957,311</u>	<u>\$ 3,744,795</u>

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Crescent City Schools (CCS) is a Louisiana not-for-profit organization incorporated on June 8, 2010 for the purpose of operating charter schools. CCS was created to support and develop open enrollment charter schools that raise student achievement and prepare students for college.

The Board of Elementary and Secondary Education (BESE) approved the granting of a charter to Crescent City Schools effective May 18, 2011 to operate a Type 5 Charter School, as defined in LA.R.S. 17:3996. Crescent City Schools commenced operations with the 2011-2012 school year. On July 1, 2018, the individual schools became Type 3B charters schools. As of June 30, 2024, Crescent City Schools operates three charter schools as listed below as authorized by the operating agreements between Orleans Parish School Board (OPSB) and CCS:

<u>School</u>	<u>Type</u>	<u>Term Date</u>
Mildred Osborne Charter School	Type 1	June 30, 2028
Harriet Tubman Charter School	Type 3B	June 30, 2025
Dorothy Height Charter School	Type 3B	June 30, 2026

In December of 2024, OPSB recommended to renew the charter for Harriet Tubman Charter School expiring on June 30, 2031.

During the year ended June 30, 2023, CCS agreed to voluntarily relinquish its charter for Akili Academy Charter School to OPSB in exchange for a new Type 1 Charter agreement to operate Mildred Osborne Charter School beginning July 1, 2023 and expiring on June 30, 2028. CCS agreed to guarantee seats at Mildred Osborne Charter School to all students who had been attending Akili Academy Charter School and to all students who had been attending Mildred Osborne Charter School (which was previously operated by ARISE Schools).

Principles of Consolidation

These financial statements have been consolidated to include all accounts of CCS and its subsidiary, Crescent City Schools Foundation (the Foundation). The accompanying consolidated financial statements are presented on a consolidated basis and significant intercompany accounts have been eliminated.

The Foundation is a Louisiana not-for-profit organization incorporated on July 15, 2019 for the purpose of supporting the operating charter schools. The Foundation was organized exclusively for the benefit of, to perform the functions of, and to carry out the purpose of CCS. This entity will be consolidated in the financial statements of CCS due to common controlling and economic interests with CCS. Throughout, the Foundation and the CCS will be collectively referred to as "CCS".

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Method of Accounting and Financial Report Framework

Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board (FASB).

Basis of Presentation

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, CCS is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of CCS. CCS's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CCS or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, CCS considers all demand deposits and highly liquid investments with an initial maturity of less than three months to be cash equivalents.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investments

CCS invests in Louisiana Asset Management Pool (LAMP), which is administered by LAMP, Inc. a non-profit corporation incorporated in the State of Louisiana. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investment in LAMP is valued at fair value, which is determined weekly by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

Level 1 lies at the top of the hierarchy; inputs are quoted prices in active markets.

Level 2 inputs do not stem directly from quoted prices and include data that is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active.

Level 3 inputs are unobservable and require the entity to develop its own assumptions.

No Level 2 or Level 3 inputs were used by CCS during the years ended June 30, 2024 and 2023.

Receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for credit losses and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2024 and 2023, no allowance has been recorded as management considers all receivables to be fully collectible.

Property and Equipment and Depreciation

Property and equipment are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair value as of the date received. CCS maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property and Equipment and Depreciation (continued)

Depreciation is computed using the straight-line method over the following useful lives:

Leasehold improvements	5 years
Vehicles	5 years
Furniture and fixture	5 to 10 years
Buildings and improvements	15 to 30 years

Assets acquired with Louisiana Department of Education (LDOE) funds are owned by CCS while used in the purpose for which they were purchased. The LDOE however, has a reversionary interest in these assets. Should a charter not be renewed, title in any assets purchased with these funds will revert to the appropriate agency.

Impairment of Long-Lived Assets

CCS reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects and the effects of obsolescence, demand, competition and other economic factors. CCS did not recognize an impairment loss during the years ended June 30, 2024 and 2023.

Revenue Recognition and Deferred Revenue

Program income and other sources of income are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied, or when performance obligations are met. Prior to the adoption of ASC 606, CCS recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

Contributions are recognized when cash, securities 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. CCS reports contributions of cash or other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the consolidated statement of activities.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Revenues from federal and state grants are recorded when CCS has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by CCS, or when otherwise earned under the terms of the grants. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the consolidated statements of financial position.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In addition, CCS receives services donated by parents and community members in carrying out CCS's mission. The value of these services is not recognized in the accompanying consolidated financial statements as they do not meet the criteria for recognition under GAAP.

Leases

CCS applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. CCS defines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that CCS will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

CCS also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether CCS can benefit from the right-of-use asset either on its own or together with other resources and whether the asset is highly dependent on or highly interrelated with another right-of-use asset.

CCS is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. CCS generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

CCS determines the incremental borrowing rate of each lease by estimating the credit rating of CCS at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Expenses

The costs of providing the various programs and other activities of CCS have been summarized on a functional basis in the consolidated statements of activities. Directly identifiable expenses are charged to programs, support services, and non-instructional services. The financial statements of CCS report certain categories of expenses that are attributable to more than one program or supporting function. The majority of expenses are allocated based on actual time and effort. However, several expenses (e.g., utilities, supplies, repairs and maintenance, etc.) require allocation based on usage (e.g., building square footage, estimated consumption, etc.) by each function.

Income Tax Status

CCS has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to income tax unless it has unrelated trade or business income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination.

As of June 30, 2024, CCS believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2019 and later remain subject to examination by the taxing authorities.

New Accounting Pronouncements

CCS has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "*Financial Instruments – Credit Losses (Topic 326)*." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. CCS has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on CCS' financial position, results of operations, or cash flows.

Date of Management's Review

Subsequent events have been evaluated through December 27, 2024, which is the date the financial statements were available to be issued.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(2) STATEMENT OF CASH FLOW SUPPLEMENTARY DISCLOSURES

Noncash investing and financing activities during the year ended June 30, 2023 consist of financing the purchase of equipment of \$457,796 through a trade account.

Supplemental disclosures of cash flow information at June 30th:

Cash paid during the year for:	<u>2024</u>	<u>2023</u>
Interest	\$ <u>341,358</u>	\$ <u>349,523</u>

(3) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects CCS's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include debt service. However, amounts already appropriated from the restricted deposits and funded reserves for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	<u>2024</u>	<u>2023</u>
Financial assets at year-end	\$ 16,888,474	\$ 15,826,299
Less those unavailable for general expenditure within one year due to:		
Debt service	<u>(225,758)</u>	<u>(214,394)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,662,716</u>	<u>\$ 15,611,905</u>

As part of the CCS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. CCS's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of operating expenses. CCS regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources of CCS. In addition, CCS operates with a budget and monitors sources and uses of funds throughout the year by comparing budget to actual operating expenses.

(4) INVESTMENTS

The fair value of Level 1 investments is as follows at June 30th:

	<u>2024</u>	<u>2023</u>
LAMP	\$ <u>13,859,636</u>	\$ <u>5,793,371</u>
Total investments	<u>\$ 13,859,636</u>	<u>\$ 5,793,371</u>

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(4) INVESTMENTS (CONTINUED)

Investment income consists as follows for the years ended June 30th:

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 431,264	\$ 197,380
Total investment income	<u>\$ 431,264</u>	<u>\$ 197,380</u>

(5) GRANT RECEIVABLES

Grant receivables consist of the following at June 30th:

	<u>2024</u>	<u>2023</u>
Due from State of Louisiana	\$ 952,963	\$ 3,460,780
Due from local government	-	150,000
Due from other	<u>3,500</u>	<u>-</u>
	<u>\$ 956,463</u>	<u>\$ 3,610,780</u>

(6) PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30th:

	<u>2024</u>	<u>2023</u>
Land	\$ 777,622	\$ 777,622
Leasehold improvements	841,543	424,462
Vehicles	100,930	100,930
Furniture and fixture	1,081,597	888,062
Buildings and improvements	9,257,517	8,017,426
Construction in progress	<u>7,808</u>	<u>906,478</u>
	12,067,017	11,114,980
Less: accumulated depreciation	<u>(2,008,729)</u>	<u>(1,533,886)</u>
Property and equipment, net	<u>\$ 10,058,288</u>	<u>\$ 9,581,094</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$474,844 and \$453,130, respectively.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(7) LONG-TERM DEBT

CCS has long-term notes payable as follows at June 30th:

	2024	2023
Credit loan payable to financial institution, with variable monthly principle/interest payments, maturing in July 2026, collateralized by real property, and an annual percentage rate of 4.25%.	\$ 1,825,600	\$ 1,858,114
Credit loan payable to financial institution, with variable monthly principle/interest payments, maturing in July 2026, collateralized by real property, and an annual percentage rate of 6.25%.	742,641	761,224
Credit loans payable to financial institution, with variable monthly principle/interest payments, maturing in July 2026, collateralized by real property, and annual percentage rates of 6.25% and 3.00%.	587,876	628,817
Credit loan payable to financial institution, with variable monthly principle/interest payments, maturing in July 2026, collateralized by real property, and an annual percentage rate of 4.50%.	3,990,344	4,088,178
	7,146,461	7,336,333
Less: deferred financial costs	(182,638)	(265,026)
Less: current portion of long-term debt	(225,758)	(214,394)
Total long-term debt, net	\$ 6,738,065	\$ 6,856,913

The maturities of long-term debt for next five years and thereafter are as follows:

2025	\$ 225,758
2026	237,208
2027	6,683,495
	\$ 7,146,461

Interest expense totaled \$335,375 and \$343,105 for the years ended June 30, 2024 and 2023, respectively.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(8) RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consisted of the following at June 30th:

	<u>2024</u>	<u>2023</u>
Environmental education	\$ 10,000	\$ -
Middle school sports	3,896	-
Jazz & Heritage Festival	-	2,500
Montessori materials	4,340	-
SPED cameras	34,269	-
Pre-K programs	14,000	-
Expansion of CCS to include Osborne Charter School	<u>331,520</u>	<u>44,394</u>
Net assets with donor restrictions	<u>\$ 398,025</u>	<u>\$ 46,893</u>

(9) CONTRIBUTED NONFINANCIAL ASSETS

CCS received contributed nonfinancial assets as follows for the years ended June 30th:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 220,214	\$ 687,474
Food commodities	38,905	72,835
Software	<u>-</u>	<u>186,570</u>
Total contributions of nonfinancial assets	<u>\$ 259,119</u>	<u>\$ 946,880</u>

CCS's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of CCS. If an asset is provided that does not allow CCS to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

CCS was provided equipment, food commodities, software, and supplies at estimated fair market value as determined by the individual grantor agencies and donors.

All contributed nonfinancial assets received by CCS for the years ended June 30, 2024 and 2023 were considered without donor restrictions and able to be used by CCS as determined by the board of directors and management.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(10) EMPLOYEE RETENTION TAX CREDIT

CCS has received financial assistance from the U.S. Federal government to guarantee the continuance of employee salaries under the CARES Act. During 2024 and 2023, CCS was granted financial assistance amounting to \$2,137,004 and \$2,493,608, respectively under the Employee Retention Credit (ERC) created under the CARES Act. The ERC provides eligible employers with credits per employee based on qualified wages and health insurance. The amount received was accounted for in 2024 and 2023 as a gain and is presented with contributions and grants of financial assets on the statements of activities as of and for the year ended June 30, 2024 and 2023.

(11) RETIREMENT PLAN

CCS maintains a safe-harbor 401(k) plan covering all eligible employees. CCS matches 100% of an employees' deferrals up to the following limits based on years of employment with the Organization:

Less than 4 years	Up to 4% of total compensation
4-9 years	Up to 5% of total compensation
9-14 years	Up to 6% of total compensation
Greater than 14 years	Up to 7% of total compensation

Matching contributions for the years ended June 30, 2024 and 2023 totaled \$883,487 and \$729,156, respectively.

(12) LEASE COMMITMENTS

Operating leases with OPSB

CCS entered into agreements with the OPSB whereby each school has its own separate agreement which allows CCS to use the facilities and contents at each location. Lease terms range from July 1, 2021 through June 30, 2028 corresponding with each school's charter agreement.

All of the aforementioned leases call for payments based on the Use Fee and participation in OPSB's Per Pupil Unit Cost Program. The Use Fee is calculated annually and withheld from MFP funds by OPSB. The calculation is based on each charter schools per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Per Pupil Unit Cost Program, and includes any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(12) LEASES COMMITMENTS (CONTINUED)

In lieu of a security/damage deposit, CCS pays a non-reimbursable Damage Fee to OPSB in the amount of \$12.50 per pupil payable over three years, beginning in FY22, or by the end of the term of the lease agreements, whichever occurs first. OPSB deposits the Damage Fee into a Damage Fund, as described in OPSB Policy HD, which is the repository for all Damage Fees remitted by all school operators leasing OPSB-owned facilities. The Damage Fund is a communal fund to be utilized to finance the cost of any incomplete maintenance or facility repair needs noted to facilities after any school operator exits its lease with OPSB. CCS remains liable for any deferred maintenance or facility repair costs in excess of its contribution to the Damage Fund.

Use of the properties in the aforementioned leases is not recorded as an in-kind contribution from, or related rent expense to, the OPSB as the value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

Operating leases with Other Parties

In May 2018, CCS entered into a sublease agreement with the New Orleans School Facility Finance Foundation to lease the facilities located at 2013 General Meyer Avenue, New Orleans, Louisiana 70114, and its contents at a monthly rate of \$73,108 from August 2018 through October 2023. CCS receives additional MFP funding and OPSB subsidies to offset the cost of the sublease. For the years ended June 30, 2024 and 2023, the additional MFP funds and OPSB subsidies received did sufficiently offset the lease payments required under this sublease agreement. Per an agreement between OPSB and the property owner, the additional rent subsidies from OPSB will continue throughout the life of the lease.

CCS entered into a lease with the Foundation for the use of property effective July 24, 2019 through June 30, 2023. Annual rent was \$541,992 and \$534,515 for the years ended June 30, 2024 and 2023, respectively. An additional fee of \$1,000,000 for all amounts, fees, expenses, taxes, indemnities, assessments, reserve replacements, or other payments for capital repairs and replacements was assessed by the Foundation for the year ended June 30, 2023. The lease was amended and extended through June 30, 2024 with a monthly payment of \$45,166. An additional fee assessed by the Foundation for the year ended June 30, 2024 totaled \$96,000, payable in monthly installments. CCS is responsible for all real property taxes and assessments, utilities, and personal property taxes. The lease payments and receipts are eliminated during the consolidation.

CCS entered into a lease with Sunshine Bus Sales, Inc. to lease five school buses at a monthly rate of \$1,975 from August 3, 2023 through August 2, 2024.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(12) LEASES (CONTINUED)

Operating leases with Other Parties (continued)

Additional information about CCS's leases is as follows for the year ended June 30, 2024:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 55,832	\$ 68,806
Cash paid for amounts in lease liabilities	\$ 55,832	68,806
Operating cash flows from operating leases	55,832	68,806
Right-of-use assets obtained in exchange for new operating lease liabilities	256,656	173,956
Weighted-average remaining lease term- operating leases	4.6 years	2.5 years
Weighted-average discount rate- operating leases	4.66%	4.25%

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

2025	\$ 61,356
2026	58,065
2027	58,065
2028	58,065
2029	41,725
Less imputed interest	<u>(30,108)</u>
	<u>\$ 247,168</u>

(13) CONCENTRATIONS OF CREDIT RISK

CCS maintained cash deposits at a financial institution during the years ended June 30, 2024 and 2023. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per entity per financial institution. CCS has not experienced any losses in such accounts. CCS has no policy requiring collateral or other security to support its deposits. At June 30, 2024 and 2023, the cash balance in excess of insured amounts was \$5,563,482 and \$3,484,926, respectively, as follows:

	<u>2024</u>	<u>2023</u>
Crescent City Schools	\$ 5,563,482	\$ 3,484,926
Crescent City Schools Foundation, Inc.	<u>-</u>	<u>-</u>
Cash in excess of FDIC insurance limits	<u>\$ 5,563,482</u>	<u>\$ 3,484,926</u>

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(13) CONCENTRATIONS OF CREDIT RISK (CONTINUED)

The amount of cash available at June 30, 2024 and 2023 represents 122% and 82% of each fiscal period's average monthly expenses. CCS requires no collateral to secure the federal grant receivables or other receivable balances.

(14) GRANT PROGRAM CONTINGENCIES

CCS participates in a number of state and federal grant programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that CCS has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2024 and 2023 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and CCS.

(15) ECONOMIC DEPENDENCY

CCS receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP) funding for the years ended June 30, 2024 and 2023 totaled \$34,829,451 and \$29,712,920, respectively. Funding was received from various federal grants passed through the State of Louisiana totaling \$10,587,805 and \$14,125,014 for the years ended June 30, 2024 and 2023, respectively. Other State of Louisiana funding for the years ended June 30, 2024 and 2023 totaled \$2,117,811 and \$961,913, respectively. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds CCS receives could be reduced significantly and have an adverse impact on its operations. In October of 2024, NOLA-PS notified CCS and all the charter school operators authorized by the Orleans Parish School Board that NOLA-PS had made an error in forecasting tax revenues that would be distributed to charter schools in fiscal year 2025. NOLA-PS indicated that there could be up to \$36 million less to distribute to schools, compared to forecasts that they had provided to schools in March 2024. As of the report date, NOLA-PS officials are working to formalize a plan to mitigate the impact of their forecasting error as well as determining what the exact amount of the shortfall will be. CCS is presently determining what the potential impact, if any, will be on its operations.

(17) RECLASSIFICATIONS

Certain reclassifications have been made to prior year's financial statements to conform to the presentation of the current year financial statements. The reclassifications have no effect on net assets.

SUPPLEMENTARY INFORMATION

CRESCENT CITY SCHOOLS AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2023

	Crescent City Schools	Crescent City Foundation	Eliminating Entries	2024 Total	2023 Total
<u>ASSETS:</u>					
Cash and cash equivalents	\$ 1,762,808	\$ 194,503	\$ -	\$ 1,957,311	\$ 3,744,795
Investments	13,859,636	-	-	13,859,636	5,793,371
Grant receivables	956,463	-	-	956,463	3,610,780
Other receivables	115,064	-	-	115,064	2,677,353
Prepaid expenses	71,667	-	-	71,667	338,605
	<u>16,765,638</u>	<u>194,503</u>	<u>-</u>	<u>16,960,141</u>	<u>16,164,904</u>
	<u>1,392,025</u>	<u>8,666,263</u>	<u>-</u>	<u>10,058,288</u>	<u>9,581,094</u>
<u>PROPERTY AND EQUIPMENT, NET</u>					
<u>OTHER ASSETS:</u>					
Right of use assets - operating leases, net	247,168	-	-	247,168	139,554
Deposits	52,035	-	-	52,035	52,035
	<u>299,203</u>	<u>-</u>	<u>-</u>	<u>299,203</u>	<u>191,589</u>
Total assets	<u>\$ 18,456,866</u>	<u>\$ 8,860,766</u>	<u>\$ -</u>	<u>\$ 27,317,632</u>	<u>\$ 25,937,587</u>
<u>CURRENT LIABILITIES:</u>					
Accounts payable	\$ 1,431,554	\$ 1,750	\$ -	\$ 1,433,304	\$ 2,855,541
Accrued expenses	1,282,351	-	-	1,282,351	1,185,627
Deferred revenue	-	-	-	-	-
Current portion of operating leases	50,170	-	-	50,170	68,806
Current portion of long-term debt	15,183	210,575	-	225,758	214,394
	<u>2,779,258</u>	<u>212,325</u>	<u>-</u>	<u>2,991,583</u>	<u>4,324,368</u>
<u>NON-CURRENT LIABILITIES:</u>					
Operating leases, net of current portion	196,998	-	-	196,998	70,748
Long-term debt, net of current portion	176,232	6,561,833	-	6,738,065	6,856,913
	<u>373,230</u>	<u>6,561,833</u>	<u>-</u>	<u>6,935,063</u>	<u>6,927,661</u>
Total liabilities	<u>3,152,488</u>	<u>6,774,158</u>	<u>-</u>	<u>9,926,646</u>	<u>11,252,029</u>
<u>NET ASSETS:</u>					
Without donor restrictions	14,906,353	2,086,608	-	16,992,961	14,638,665
With donor restrictions	398,025	-	-	398,025	46,893
	<u>15,304,378</u>	<u>2,086,608</u>	<u>-</u>	<u>17,390,986</u>	<u>14,685,558</u>
Total liabilities and net assets	<u>\$ 18,456,866</u>	<u>\$ 8,860,766</u>	<u>\$ -</u>	<u>\$ 27,317,632</u>	<u>\$ 25,937,587</u>

CRESCENT CITY SCHOOLS AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

	Crescent City Schools			Crescent City Foundation			Eliminating Entries	2024 Total	2023 Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total			
REVENUE:									
State local minimum foundation program funding	\$ 34,829,451	\$ -	\$ 34,829,451	\$ -	\$ -	\$ -	\$ -	\$ 34,829,451	\$ 29,712,920
Federal grants	10,587,805	-	10,587,805	-	-	-	-	10,587,805	14,125,014
Other state funding	2,117,811	-	2,117,811	-	-	-	-	2,117,811	961,913
Private contributions and grants of financial assets	3,097,692	479,769	3,577,461	-	-	-	-	3,577,461	2,840,472
Contributions of nonfinancial assets	259,119	-	259,119	-	-	-	-	259,119	946,880
Investment income	431,264	-	431,264	-	-	-	-	431,264	197,380
Other income	1,860,972	-	1,860,972	641,748	-	641,748	(637,992)	1,864,728	1,134,100
Net assets released from restrictions	128,637	(128,637)	-	-	-	-	-	-	-
Total revenue	53,312,751	351,132	53,663,883	641,748	-	641,748	(637,992)	53,667,639	49,918,679
EXPENSES:									
Program services:									
General instructional	20,813,963	-	20,813,963	-	-	-	-	20,813,963	17,774,976
General non-instructional	19,230,834	-	19,230,834	-	-	-	(637,992)	18,592,842	17,085,963
Special education	7,637,757	-	7,637,757	-	-	-	-	7,637,757	6,979,438
Special programs	1,347,419	-	1,347,419	-	-	-	-	1,347,419	853,826
Support services:									
Administration	1,798,590	-	1,798,590	771,640	-	771,640	-	2,570,230	2,432,523
Total expenses	50,828,563	-	50,828,563	771,640	-	771,640	(637,992)	50,962,211	45,126,726
Change in net assets	2,484,188	351,132	2,835,320	(129,892)	-	(129,892)	-	2,705,428	4,791,953
Net assets, beginning of year	12,422,165	46,893	12,469,058	2,216,500	-	2,216,500	-	14,685,558	9,893,605
Net assets, end of year	\$ 14,906,353	\$ 398,025	\$ 15,304,378	\$ 2,086,608	\$ -	\$ 2,086,608	\$ -	\$ 17,390,986	\$ 14,685,558

(See Independent Auditors' Report)

CRESCENT CITY SCHOOLS AND SUBSIDIARY
COMBINING STATEMENT OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2024
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2023

	CMO	Akili Academy	Harriet Tubman	Dorothy Height	Mildred Osborne	Interfund Eliminations	2024 Total	2023 Total
<u>CURRENT ASSETS:</u>								
Cash and cash equivalents	\$ 301,064	\$ 10,576	\$ 437,720	\$ 552,193	\$ 461,255	\$ -	\$ 1,762,808	\$ 3,386,674
Investments	5,315,103	-	1,360,750	4,530,238	2,653,545	-	13,859,636	5,793,371
Grant receivables	-	-	325,101	482,038	149,324	-	956,463	3,610,780
Other receivables	1,700	-	25,868	31,585	55,911	-	115,064	2,677,353
Prepaid expenses	26,824	-	44,843	-	-	-	71,667	336,505
Due to from affiliate	471,561	(13,076)	369,811	(432,402)	(395,894)	-	-	-
Total current assets	6,116,252	(2,500)	2,564,093	5,163,652	2,924,141	-	16,765,638	15,804,683
<u>PROPERTY AND EQUIPMENT, NET</u>								
	-	-	1,187,901	112,789	91,335	-	1,392,025	943,562
<u>OTHER ASSETS:</u>								
Right of use assets - operating leases, net	-	-	76,905	1,380	168,883	-	247,168	139,554
Deposits	-	2,500	2,494	47,041	-	-	52,035	52,035
Total other assets	-	2,500	79,399	48,421	168,883	-	299,203	191,589
Total assets	\$ 6,116,252	\$ -	\$ 3,831,393	\$ 5,324,862	\$ 3,184,359	\$ -	\$ 18,456,866	\$ 16,939,834
<u>CURRENT LIABILITIES</u>								
Accounts payable	\$ 196,860	\$ -	\$ 554,524	\$ 393,532	\$ 286,638	\$ -	\$ 1,431,554	\$ 2,389,445
Accrued expenses	5,056	-	472,271	399,768	405,256	-	1,282,351	1,735,627
Deferred revenue	-	-	-	-	-	-	-	-
Current portion of operating leases	-	-	16,545	1,380	32,245	-	50,170	68,806
Current portion of long-term debt	-	-	15,183	-	-	-	15,183	14,734
Total current liabilities	201,916	-	1,058,523	794,680	724,139	-	2,779,258	4,208,612
<u>NON-CURRENT LIABILITIES</u>								
Operating leases, net of current portion	-	-	60,360	-	136,638	-	196,998	70,748
Long-term debt, net of current portion	-	-	176,232	-	-	-	176,232	191,416
Total non-current liabilities	-	-	236,592	-	136,638	-	373,230	262,164
Total liabilities	201,916	-	1,295,115	794,680	860,777	-	3,152,488	4,470,776
<u>NET ASSETS</u>								
Without donor restrictions	5,582,816	-	2,509,619	4,497,951	2,315,967	-	14,906,353	12,422,165
With donor restrictions	331,520	-	26,659	32,231	7,615	-	398,025	46,893
Total net assets	5,914,336	-	2,536,278	4,530,182	2,323,582	-	15,304,378	12,469,058
Total liabilities and net assets	\$ 6,116,252	\$ -	\$ 3,831,393	\$ 5,324,862	\$ 3,184,359	\$ -	\$ 18,456,866	\$ 16,939,834

(See Independent Auditors' Report)

CRESCENT CITY SCHOOLS AND SUBSIDIARY
COMBINING STATEMENT OF ACTIVITIES BY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

	CMO	Akili Academy	Harriet Tubman	Dorothy Height	Mildred Osborne	Interfund Eliminations	2024 Total	2023 Total
<u>NET ASSETS WITHOUT DONOR RESTRICTIONS:</u>								
<u>REVENUE:</u>								
State/local minimum foundation program funding	\$ -	\$ -	\$ 12,524,809	\$ 11,581,536	\$ 10,723,106	\$ -	\$ 34,829,451	\$ 29,712,920
Federal grants	-	-	4,366,381	4,177,681	2,043,743	-	10,587,805	14,125,014
Other state funding	-	-	936,597	689,606	491,608	-	2,117,811	961,913
Private contributions and grants of financial assets	2,199,357	-	86,427	71,205	3,547,566	(2,806,863)	3,097,692	2,802,972
Contributions of nonfinancial assets	-	-	113,701	77,367	68,051	-	259,119	946,850
Investment income	136,756	-	58,001	146,186	90,321	-	431,264	197,380
Other income	1,996,330	-	1,552,410	572,572	514,381	(2,774,718)	1,860,975	1,133,912
Net assets released from restrictions	109,446	-	19,191	-	-	-	128,637	135,515
Total revenue	4,441,889	-	19,657,517	17,316,153	17,478,776	(5,581,581)	53,312,754	50,016,506
<u>EXPENSES:</u>								
Program services:								
General instructional	305,791	-	7,141,589	8,075,661	6,266,420	(975,498)	20,813,963	17,774,976
General non-instructional	946,080	-	8,399,543	5,575,155	6,037,160	(1,727,104)	19,230,834	18,269,640
Special education	918,983	-	3,629,634	2,391,635	2,446,841	(1,749,336)	7,637,757	6,979,438
Special programs	95	-	480,363	466,678	400,283	-	1,347,419	853,826
Support services:								
Administration	1,798,870	-	-	-	-	(280)	1,798,590	2,007,029
Total expenses	3,969,819	-	19,651,129	16,509,129	15,150,704	(4,452,218)	50,828,563	45,884,909
<u>TRANSFERS IN/OUT:</u>								
Transfers in	1,676,595	-	150	75	680	(1,677,500)	-	-
Transfers out	-	(2,806,863)	-	-	-	2,806,863	-	-
Total transfers in/out	1,676,595	(2,806,863)	150	75	680	1,129,363	-	-
Change in net assets without donor restrictions	2,148,665	(2,806,863)	6,538	807,099	2,328,752	-	2,484,191	4,131,597
<u>NET ASSETS WITH DONOR RESTRICTIONS:</u>								
Private contributions and grants of financial assets	400,000	-	39,923	32,231	7,615	-	479,769	37,500
Net assets released from restrictions	(109,446)	-	(19,191)	-	-	-	(128,637)	(135,515)
Change in net assets with donor restrictions	290,554	-	20,732	32,231	7,615	-	351,132	(98,015)
Net assets, beginning of year	3,475,117	2,806,863	2,509,009	3,690,854	(12,785)	-	12,469,058	8,435,476
Net assets, end of year	\$ 5,914,336	\$ -	\$ 2,536,278	\$ 4,530,182	\$ 2,323,582	\$ -	\$ 15,304,378	\$ 12,469,058

CRESCENT CITY SCHOOLS AND SUBSIDIARY
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2024

	Kate Mehok, CEO
Time served	06/30/23 through 06/30/24
Salary	\$ 221,729
Benefits - insurance	9,455
Benefits - retirement	8,793
Benefits - cellphone	1,068
Reimbursements	880
Travel	1,094
Total compensation, benefits, and other payments	\$ 243,019

**OTHER REPORTING REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



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

To the Board of Directors and Management of
Crescent City Schools and Subsidiary
New Orleans, 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 consolidated financial statements of Crescent City Schools and Subsidiary (a non-profit corporation), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Crescent City Schools and Subsidiary'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crescent City Schools and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Crescent City Schools and Subsidiary'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.



To the Board of Directors and Management of
Crescent City Schools and Subsidiary
New Orleans, Louisiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crescent City Schools and Subsidiary's consolidated 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 Crescent City Schools and Subsidiary'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 Crescent City Schools and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 27, 2024
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

SINGLE AUDIT SECTION



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

To the Board of Directors and Management of
Crescent City Schools and Subsidiary
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crescent City Schools and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Crescent City Schools and Subsidiary's major federal programs for the year ended June 30, 2024. Crescent City Schools and Subsidiary's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Crescent City Schools and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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



To the Board of Directors and Management of
Crescent City Schools and Subsidiary
New Orleans, Louisiana

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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



To the Board of Directors and Management of
Crescent City Schools and Subsidiary
New Orleans, Louisiana

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 27, 2024
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

CRESCENT CITY SCHOOLS AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Title 1 Grants to Local Educational Agencies	84.010	\$ 1,837,162
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	\$ 929,577
Special Education - Preschool Grants	84.173	<u>18,242</u>
Total Special Education Cluster		947,819
English Language Acquisition State Grants	84.365	59,005
Supporting Effective Instruction State Grants	84.367	117,585
Student Support and Academic Enrichment Program	84.424	89,997
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	67,974
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	3,747,919
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth Total Education Stabilization Fund	84.425W	<u>42,189</u>
		<u>3,858,082</u>
Total U.S. Department of Education		<u>6,909,650</u>
<u>U.S. Department of Agriculture</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Child Nutrition Cluster		
School Breakfast Program	10.553	817,226
National School Lunch Program	10.555	1,742,473
COVID-19 Supply Chain Assistance	10.555	<u>71,403</u>
Total Child Nutrition Cluster		2,631,102
Child and Adult Care Food Program	10.558	<u>958,531</u>
Total U.S. Department of Agriculture		<u>3,589,633</u>
<u>U.S. Department of Homeland Security</u>		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	<u>151,518</u>
Total U.S. Department of Homeland Security		<u>151,518</u>
Total expenditures of federal awards		<u>\$ 10,650,801</u>

(See Independent Auditors' Report)

CRESCENT CITY SCHOOLS AND SUBSIDIARY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Crescent City Schools and Subsidiary (CCS) under programs of the federal government for the year ended June 30, 2024. The information in the schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of CCS, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CCS.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Recognition

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2024.

Non-Cash Assistance

Nonmonetary assistance in the amount of \$38,904 is reported in the schedule of expenditures of federal awards as AL No. 10.555 at the fair market value of the commodities/equipment received and disbursed.

(3) INDIRECT COST RATE

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

CRESCENT CITY SCHOOLS AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Crescent City Schools and Subsidiary.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of were reported in the 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*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for Crescent City Schools and Subsidiary expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was the Education Stabilization Fund (AL Nos. 84.425D, 84.425U and 84.425W).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Crescent City Schools and Subsidiary was determined to be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2024.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the consolidated financial statements for the year ended June 30, 2024.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings related to major federal awards programs for the year ended June 30, 2024.

CRESCENT CITY SCHOOLS AND SUBSIDIARY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were no findings related to the consolidated financial statements for the year ended June 30, 2023.

II. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FEDERAL AWARDS

There were no findings and questioned costs related to major federal award programs for the year ended June 30, 2023.

III. MANAGEMENT LETTER

There was no management letter issued for the year ended June 30, 2023.

**SCHEDULES REQUIRED BY STATE LAW
(PERFORMANCE STATISTICAL DATA)**

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management of
Crescent City Schools and Subsidiary
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Crescent City Schools and Subsidiary 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 I. Management of Crescent City Schools and Subsidiary is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

Results: No exceptions were found as a result of applying the procedure.



To the Board of Directors and Management of
Crescent City Schools and Subsidiary

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.

Results: No exceptions were found as a result of applying the procedure.

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.

Results: No exceptions were found as a result of applying the procedure.

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).

Results: No exceptions were found as a result of applying the procedure.

We were engaged by Crescent City Schools and Subsidiary 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.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors and Management of
Crescent City Schools and Subsidiary

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

This report is intended solely to describe the scope and results of testing performed on the performance and statistical data accompanying the annual financial statements of the Crescent City Schools and Subsidiary, as required by Louisiana Revised Statute 24:514.I, and for the information and use of Crescent City Schools and Subsidiary, the Louisiana Department of Education, and the Louisiana Legislative Auditor. Accordingly, this report is not suitable for any other purpose and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

December 27, 2024
New Orleans, Louisiana

Certified Public Accountants

CRESCENT CITY SCHOOLS AND SUBSIDIARY
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2024

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	Column A	Column B
General Fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 2,991,064	
Other instructional staff salaries	897,014	
Instructional staff employee benefits	910,717	
Purchased professional and technical services	807,440	
Instructional materials and supplies	512,927	
Instructional equipment	-	
Total teacher and students interaction activities		\$ 6,119,162
Other instructional activities		86,889
Pupil support services	1,736,435	
Less: Equipment for pupil support services	-	
Net pupil support services		1,736,435
Instructional staff services	1,479,952	
Less: Equipment for instructional staff services	-	
Net instructional staff services		1,479,952
School administration	966,628	
Less: equipment for school administration	-	
Net school administration		966,628
Total General Fund instructional expenditures (total of column B)		\$ 10,389,066
Total General Fund equipment expenditures		\$ -
<u>CERTAIN LOCAL REVENUE SOURCES</u>		
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		\$ -

(See Independent Accountants' Report on Applying Agreed-Upon Procedures)

CRESCENT CITY SCHOOLS AND SUBSIDIARY
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2024
AS OF OCTOBER 1, 2023

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	49%	258	22%	113	29%	154	0%	1
Elementary/Activity Classes	23%	86	17%	64	59%	218	1%	4
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
CRESCENT CITY SCHOOLS
NEW ORLEANS, LOUISIANA
FOR THE YEAR ENDED
JUNE 30, 2024



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Governance of
Crescent City Schools

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2024. Crescent City Schools' management is responsible for those C/C areas identified in the SAUPs.

Crescent City Schools 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 C/C areas identified in LLA's SAUPs for the year ended June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

We were engaged by Crescent City Schools 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 applicable standards of *Government Auditing Standards*. 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 those C/C areas identified in the SAUPs. 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 Crescent City Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.

December 27, 2024
New Orleans, Louisiana

Certified Public Accountants

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2024

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including (1) preparing, (2) adopting, (3) monitoring, and (4) amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including (1) processing, (2) reviewing, and (3) approving.
 - d) ***Receipts/Collections***, including (1) receiving, (2) recording, and (3) preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of performing the procedures.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were found as a result of performing the procedures.

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

BANK RECONCILIATIONS

3. **Procedures:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of performing the procedures.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4. **Procedure:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

COLLECTIONS (CONTINUED)

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. **Procedures:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of performing the procedures.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

8. **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. **Procedures:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was
- a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,
 - b) Approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were found as a result of performing the procedures.

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

12. **Procedures:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. **Procedures:** Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. **Procedures:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of performing the procedures.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

15. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS) (CONTINUED)

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of performing the procedures.

CONTRACTS

16. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of performing the procedures.

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

PAYROLL AND PERSONNEL

17. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. **Procedures:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. **Procedure:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of performing the procedures.

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

ETHICS

21. **Procedures:** Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. **Procedures:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: There was no evidence that one of the five selected employees completed the one hour of ethics training. No other exceptions were found as a result of performing the procedures.

DEBT SERVICE

23. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. **Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Not applicable. Crescent City Schools did not have bonds/notes outstanding at the end of the year.

FRAUD NOTICE

25. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

FRAUD NOTICE (CONTINUED)

26. **Procedure:** Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of performing the procedures.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

27. **Procedures:** Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. **Procedures:** Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

29. **Procedures:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267 .

- Hired before June 9, 2020 – completed the training, and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

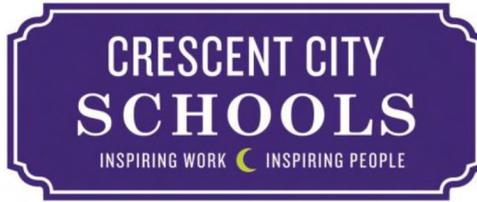
Results: We performed the procedures and discussed the results with management.

CRESCENT CITY SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

SEXUAL HARASSMENT

30. **Procedures:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
31. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results: CCS as a charter school is not subject to the sexual harassment law, R.S. 42:344.



December 27, 2024

Louisiana Legislative Auditor

Crescent City Schools respectfully submits the following corrective action plan for items identified pursuant to the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs).

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Engagement Period: July 1, 2023—June 30, 2024

The exceptions from the SAUPs report are discussed below:

Ethics

Exceptions: One employee did not complete their one hour of ethics training during the calendar year as required by R.S. 42:1170.

Management's Response to Exceptions: Management has noted and agrees with the above exception. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas. Specifically, management will continue to remind staff of their individual legal obligation to complete one hour of ethics training each calendar year and will continue to offer on-site opportunities for such training. Management will also improve its tracking of staff compliance with this obligation.

If there are any questions regarding this plan, please contact Crescent City Schools at 2701 Lawrence Street, New Orleans, Louisiana 70114, or by email at inspire@crestedcityschools.org.

Sincerely,

Christopher Hines

Signature

COO

Title