

IDEA PUBLIC SCHOOLS LOUISIANA, INC.

BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
IDEA Public Schools Louisiana, Inc.
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of IDEA Public Schools Louisiana, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDEA Public Schools Louisiana, Inc. as of June 30, 2025, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 IDEA Public Schools Louisiana, Inc. 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, IDEA Public Schools Louisiana, Inc. voluntarily relinquished its charter agreement with the East Baton Rouge Parish School Board during the year ended June 30, 2025. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



To the Board of Directors and Management of
IDEA Public Schools Louisiana, Inc.
Baton Rouge, Louisiana

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IDEA Public Schools Louisiana, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, 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 IDEA Public Schools Louisiana, Inc.'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 IDEA Public Schools Louisiana, Inc.'s ability to continue as a going concern for a reasonable period of time.



To the Board of Directors and Management of
IDEA Public Schools Louisiana, Inc.
Baton Rouge, Louisiana

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the 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 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 1, 2025 on our consideration IDEA Public Schools Louisiana, Inc.’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 IDEA Public Schools Louisiana, Inc.’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 IDEA Public Schools Louisiana, Inc.’s internal control over financial reporting and compliance.

December 1, 2025
Baton Rouge Louisiana

Erickson Krentel, LLP
Certified Public Accountants

FINANCIAL STATEMENTS

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 9,300,961	\$ 8,201,095
Restricted cash	46,316	52,902
Grants receivable - other	56,740	3,496,549
Due from management company	1,338,208	1,254,418
Other assets	-	7,508
	<u>10,742,225</u>	<u>13,012,472</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	-	145,512
<u>RIGHT OF USE ASSETS - OPERATING LEASES, NET</u>	-	25,473,911
	<u>\$ 10,742,225</u>	<u>\$ 38,631,895</u>
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 65,055	\$ 228,513
Accrued expenses	200,412	945,590
Due to management company	-	2,200,767
Current portion of operating leases	-	4,159,403
Other liabilities	938	58,506
	<u>266,405</u>	<u>7,592,779</u>
<u>NON-CURRENT LIABILITIES:</u>		
Operating leases, net of current portion	-	20,733,031
	<u>-</u>	<u>20,733,031</u>
Total liabilities	<u>266,405</u>	<u>28,325,810</u>
<u>NET ASSETS:</u>		
Without donor restrictions	(1,850,778)	(2,168,456)
With donor restrictions	12,326,598	12,474,541
	<u>10,475,820</u>	<u>10,306,085</u>
Total liabilities and net assets	<u>\$ 10,742,225</u>	<u>\$ 38,631,895</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE:</u>			
State/Local per pupil aid	\$ -	\$ 27,442,649	\$ 27,442,649
Federal grants	-	2,483,927	2,483,927
Private contributions and grants of financial assets	-	7,387	7,387
Contributions of nonfinancial assets	-	428,736	428,736
Other state funds	-	867,822	867,822
Other income	-	323,589	323,589
Gain/(loss) on disposals of assets	(280,269)	-	(280,269)
Gain/(loss) on disposals of leases	(1,146,876)	-	(1,146,876)
Net assets released from restrictions	31,702,053	(31,702,053)	-
 Total revenue	 30,274,908	 (147,943)	 30,126,965
<u>EXPENSES:</u>			
Program services:			
General instructional	9,025,225	-	9,025,225
General non-instructional	5,666,047	-	5,666,047
Special education	2,038,007	-	2,038,007
Administration	13,227,951	-	13,227,951
 Total expenses	 29,957,230	 -	 29,957,230
 Change in net assets	 317,678	 (147,943)	 169,735
 Net assets, beginning of year	 (2,168,456)	 12,474,541	 10,306,085
 Net assets, end of year	 \$ (1,850,778)	 \$ 12,326,598	 \$ 10,475,820

See accompanying NOTES TO FINANCIAL STATEMENTS

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:			
State/Local per pupil aid	\$ -	\$ 36,110,070	\$ 36,110,070
Federal grants	-	5,350,694	5,350,694
Private contributions and grants of financial assets	-	305,646	305,646
Contributions of nonfinancial assets	-	1,132,231	1,132,231
Other state funds	-	632,476	632,476
Other income	-	168,428	168,428
Net assets released from restrictions	<u>37,412,241</u>	<u>(37,412,241)</u>	<u>-</u>
 Total revenue	 <u>37,412,241</u>	 <u>6,287,304</u>	 <u>43,699,545</u>
EXPENSES:			
Program services:			
General instructional	10,658,806	-	10,658,806
General non-instructional	6,864,894	-	6,864,894
Special education	2,436,700	-	2,436,700
Administration	<u>17,462,581</u>	<u>-</u>	<u>17,462,581</u>
 Total expenses	 <u>37,422,981</u>	 <u>-</u>	 <u>37,422,981</u>
 Change in net assets	 (10,740)	 6,287,304	 6,276,564
 Net assets, beginning of year	 <u>(2,157,716)</u>	 <u>6,187,237</u>	 <u>4,029,521</u>
 Net assets, end of year	 <u>\$ (2,168,456)</u>	 <u>\$ 12,474,541</u>	 <u>\$ 10,306,085</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services				Total
	General	General	Special	Administration	
	Instructional	Non-Instructional	Education		
Salaries	\$ 6,054,382	\$ 2,760,315	\$ 1,437,624	\$ 4,238,723	\$ 14,491,044
Employee benefits	458,900	277,801	121,960	268,876	1,127,537
Retirement	228,998	100,188	58,565	131,810	519,561
Payroll taxes	456,172	205,508	110,467	321,834	1,093,981
Purchased educational services	856,527	-	245,787	197,435	1,299,749
Other purchased professional services	-	277,341	-	418,186	695,527
Utilities	-	21,666	-	374,179	395,845
Repairs and maintenance	10,266	158,749	3,588	343,496	516,099
Rentals	311,621	675,501	-	2,857,241	3,844,363
Student transportation	-	119,640	11,983	-	131,623
Insurance	-	-	-	925,508	925,508
Food service	-	868,048	-	-	868,048
Travel	8,673	2,738	4,630	31,243	47,284
Miscellaneous	13,937	(20,988)	-	98,310	91,259
Materials and supplies	537,355	213,477	43,403	268,377	1,062,612
Dues and fees	8,413	-	-	2,395,105	2,403,518
Security	-	-	-	182,382	182,382
Textbooks	79,981	-	-	86,765	166,746
Depreciation	-	6,063	-	88,481	94,544
Total expenses	\$ 9,025,225	\$ 5,666,047	\$ 2,038,007	\$ 13,227,951	\$ 29,957,230

See accompanying NOTES TO FINANCIAL STATEMENTS

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services				Total
	General	General	Special	Administration	
	Instructional	Non-Instructional	Education		
Salaries	\$ 6,113,285	\$ 3,033,083	\$ 1,778,446	\$ 4,765,390	\$ 15,690,204
Employee benefits	478,495	299,332	157,544	319,301	1,254,672
Retirement	232,737	114,764	70,671	143,727	561,899
Payroll taxes	485,813	230,302	142,847	368,692	1,227,654
Purchased educational services	1,284,168	2,400	184,578	216,336	1,687,482
Other purchased professional services	226,714	302,357	-	577,233	1,106,304
Utilities	-	38,933	-	527,462	566,395
Repairs and maintenance	35,457	239,145	8,035	480,569	763,206
Rentals	425,199	761,634	-	4,140,561	5,327,394
Student transportation	-	190,527	19,102	-	209,629
Insurance	-	239,100	-	860,013	1,099,113
Food service	-	1,122,282	-	-	1,122,282
Travel	27,956	65,745	2,324	99,475	195,500
Miscellaneous	12,891	(65,173)	1,880	(6,122)	(56,524)
Materials and supplies	1,154,906	284,399	68,955	1,205,793	2,714,053
Dues and fees	11,735	-	-	3,513,923	3,525,658
Security	-	-	-	170,799	170,799
Textbooks	169,450	-	2,318	263	172,031
Depreciation	-	6,064	-	79,166	85,230
	-	-	-	-	-
Total expenses	<u>\$ 10,658,806</u>	<u>\$ 6,864,894</u>	<u>\$ 2,436,700</u>	<u>\$ 17,462,581</u>	<u>\$ 37,422,981</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 169,735	\$ 6,276,564
Adjustments to reconcile change in net assets to cash and cash equivalents from operating activities:		
Depreciation expense	94,544	85,230
Amortization expense	2,965,139	4,331,070
Bad debt expenses/(recovery)	-	(36,568)
Loss on disposal of assets	280,269	-
Loss on disposal of leases	1,190,849	-
(Increase) decrease in:		
Grant receivables	3,439,809	355,653
Due from management company	(83,790)	4,731,069
Other receivables	7,508	13,699
Increase (decrease) in:		
Accounts payable	(163,458)	(2,648,759)
Accrued expenses	(745,178)	(609,353)
Operating lease liability	(3,574,511)	(4,439,806)
Due to management company	(2,200,767)	(2,519,106)
Other liabilities	(57,568)	36,033
Net cash from operating activities	<u>1,322,581</u>	<u>5,575,726</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	<u>(229,301)</u>	<u>(9,550)</u>
Net cash used for investing activities	<u>(229,301)</u>	<u>(9,550)</u>
Net increase in cash, cash equivalents, and restricted cash	1,093,280	5,566,176
Cash, cash equivalents, and restricted cash, beginning of year	<u>8,253,997</u>	<u>2,687,821</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 9,347,277</u>	<u>\$ 8,253,997</u>
Cash and cash equivalents	9,300,961	8,201,095
Restricted cash	<u>46,316</u>	<u>52,902</u>
Total cash, cash equivalents, and restricted cash at end of year	<u>\$ 9,347,277</u>	<u>\$ 8,253,997</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</u>		
Non-cash investing activities:		
Acquisitions obtained through operating leases	<u>\$ 73,875</u>	<u>\$ 829,476</u>

For the year ended June 30, 2025, IDEA Public Schools Louisiana, Inc. disposed of property & equipment with a cost of \$688,518 and accumulated depreciation of \$408,249, resulting in a loss of \$280,269.

For the year ended June 30, 2025, IDEA Public Schools Louisiana, Inc. disposed of right-of-use assets with a cost of \$22,599,508 and related lease liability of \$21,936,382 with termination fees of \$527,723, resulting in a loss of \$1,190,849.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

Nature of Activities

IDEA Public Schools Louisiana, Inc. (IDEA LA) is a Louisiana nonprofit corporation formed in February 2016. The School operates and does business as Individuals Dedicated to Excellence and Achievement (IDEA) Public Schools Louisiana. The School is an East Baton Rouge Parish School Board authorized, open enrollment Type 1 charter school. The East Baton Rouge Parish School Board pursuant to Chapter 2, Title 12 of the Louisiana Revised Statutes grants the Contract for Charter. The School provides educational services to students in grades Kindergarten (K) through 12. The School commenced operations during the 2018-2019 school year.

During the year ended June 30, 2025, the charter agreement with East Baton Rouge Parish School Board was voluntarily relinquished, and as a result, IDEA LA ceased school operations effective June 30, 2025.

Basis of Accounting and Financial Reporting Framework

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Financial Accounting Standard Board (FASB).

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (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, IDEA LA 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 IDEA LA. IDEA LA'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 IDEA LA 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.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, IDEA LA considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Restricted Cash

Amounts included in restricted cash represent those required to be set aside by state law for the use of student activities.

Receivables

Grants, notes, and other receivables are recorded at the amount management expects to collect. In accordance with ASC 326, *Financial Instruments – Credit Losses*, IDEA LA recognizes an allowance for expected credit losses on receivables based on historical loss experience, current conditions, and reasonable and supportable forecasts. Management evaluates the collectability of receivables on an ongoing basis. Balances are written off when management determines that collection is not probable. Based on this analysis, management determined that no allowance for credit losses was necessary as of June 30, 2025 and 2024, as all amounts are considered fully collectible.

Property and Equipment

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

Computer software	3 years
IT hardware	5 years
Equipment	7 years
Building improvements	10-15 years

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

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

Revenue Recognition

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. IDEA LA 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 statement of activities.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenues from federal and state grants are recorded when IDEA LA has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by IDEA LA, or when otherwise earned under the terms of the grants.

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.

IDEA LA's policy is to report restricted support as with donor restrictions regardless of whether or not the restrictions are satisfied within the same fiscal year. Donations are reported as released from restrictions in the statement of changes in net assets in liquidation when the restriction expired (that is, a stipulated time restriction ends or purpose restriction is accomplished).

Special event and fundraising revenues 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. Prior to the adoption of ASC 606, IDEA LA recognized revenue when persuasive evidence of an arrangement existed, delivery of products or occurrence of services had occurred, the transaction price was fixed or determinable and collectability was reasonably assured. Special event and fundraising revenues received in advance are deferred and recognized over the periods to which the dates and costs relate. These amounts are included in performance obligation liabilities within the statements of financial position.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

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

Leases

IDEA LA applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. IDEA LA 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 IDEA LA 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.

IDEA LA also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether IDEA LA 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.

IDEA LA is required to discount lease payments using the rate implicit in the lease if that rate is readily available. As most of the leases do not provide an implicit rate, IDEA LA uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. 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.

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. The financial statements of IDEA LA 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

IDEA LA 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, 2025 and 2024, IDEA LA believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2022 and later remain subject to examination by the taxing authorities.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

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

Date of Management Review

Subsequent events have been evaluated through December 1, 2025, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The School maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the School's expenditures come due. The following reflects the school's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position dates because of contractual or donor-imposed restrictions.

	2025	2024
Financial assets at year-end	\$ 10,742,225	\$ 13,004,964
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	(46,316)	(52,902)
Financial assets available to meet cash needs for general expenditures within one year	\$ 10,695,909	\$ 12,952,062

(3) GRANTS RECEIVABLES

Grants receivable at June 30, 2025 and 2024 consist of the following:

	2025	2024
Due from State of Louisiana	\$ 56,740	\$ 3,496,549
	\$ 56,740	\$ 3,496,549

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(4) PROPERTY AND EQUIPMENT

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

	<u>2025</u>	<u>2024</u>
Computer software	\$ -	\$ 164,011
IT hardware	-	186,948
Equipment	-	71,884
Building improvements	-	26,827
Construction in progress	<u>-</u>	<u>9,549</u>
	-	459,219
Less: accumulated depreciation	<u>-</u>	<u>(313,707)</u>
 Total property and equipment, net	 <u>\$ -</u>	 <u>\$ 145,512</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$94,544 and \$85,230, respectively.

(5) NET ASSETS

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

	<u>2025</u>	<u>2024</u>
Campus activities	\$ 46,315	\$ 52,902
Child nutrition program	1,019,200	1,267,289
Minimum Foundation Program	11,305,036	11,154,298
Other	<u>20</u>	<u>52</u>
 Net assets with donor restrictions	 <u>\$ 12,370,571</u>	 <u>\$ 12,474,541</u>

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(5) NET ASSETS (CONTINUED)

Net assets with donor restrictions were released from restrictions for the following purposes during the years ended June 30th:

	<u>2025</u>	<u>2024</u>
Campus activities	\$ 13,051	\$ 9,223
Education stabilization	20,160	-
Child nutrition program	2,102,178	2,384,828
Minimum Foundation Program	28,635,792	30,864,011
Title I Part A	830,198	948,689
Title II Part A- Teacher Principles	41,104	33,809
Title IV, Part A	30,480	62,108
ESSER II Grant	-	89,727
ESSER III Grant	1,204	2,605,532
Comprehensive Literacy	20,339	-
New Schools Baton Rouge	1,500	288,500
No Kid Hungry	5,887	52,078
Other	<u>160</u>	<u>73,736</u>
Net assets released with donor restrictions	<u>\$ 31,702,053</u>	<u>\$ 37,412,241</u>

(6) CONCENTRATION OF CREDIT RISK

IDEA LA maintains cash in bank accounts in excess of insured limits periodically. IDEA LA has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. All of IDEA LA's cash is maintained in collateralized bank accounts.

(7) CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets for the years ended June 30, 2025 and 2024, included in the financial statements, were as follows:

	<u>2025</u>	<u>2024</u>
Food	\$ 86,968	\$ 86,246
Supplies	275,507	230,133
Furniture, equipment, and technology	<u>66,261</u>	<u>815,852</u>
Total contributed nonfinancial assets	<u>\$ 428,736</u>	<u>\$ 1,132,231</u>

Contributed food was utilized in the child nutrition program. In valuing food, IDEA LA estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

Contributed supplies was utilized for various educational and general administrative purposes. In valuing supplies, IDEA LA estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed furniture, equipment and technology was utilized for various educational and general administrative purposes. In valuing the furniture, equipment and technology, IDEA LA estimated the fair value on the basis of the net book value of the donor.

All contributed nonfinancial assets received by IDEA LA for the years ended June 30, 2025 and 2024 were considered with donor restrictions.

(8) OPERATING LEASE COMMITMENTS

Innovation Campus Property

IDEA LA sub-leased one of its educational premises under a seven-year lease agreement with the School's management company commencing on July 1, 2018. The lease included an escalation clause for rental increases every twelve months. The lease payments were recognized on a straight-line basis at \$153,564 per month. The lease was scheduled to terminate on June 30, 2025. This original lease was terminated effective September 30, 2020. The deferred lease liability accumulated as of the termination date was \$1,117,037, which was written off and recognized as non-operating income for the year ended June 30, 2021.

Effective October 15, 2020, IDEA LA entered into a lease agreement with Innovation under a thirty-year lease agreement. Effective June 2021, an amendment to the lease was agreed to increase the base rent for the 2022-2023 fiscal year. Effective September 2022, an additional amendment to the lease was agreed to increase rent payments for the addition of portable buildings which increased base rent from October 2022 through September 2027. The lease also includes a clause for rent reduction changes at a point in the lease. The lease payments are recognized on a straight-line basis at \$90,508 per month.

Bridge Campus Property

IDEA LA leased one of its educational premises under a twenty-five (25) year lease agreement with the School's management company commencing on October 1, 2020. Lease payments are paid monthly in amounts designated in Schedule I of the lease agreement dated December 10, 2020, which are based on related mortgage note payments of the landlord. Effective June 2021, an amendment to the lease was agreed to increase the base rent beginning with the 2022-2023 fiscal year.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(8) OPERATING LEASE COMMITMENTS (CONTINUED)

University Prep Campus Property

IDEA LA leased one of its educational premises under a twenty-five (25) year lease agreement with the School's management company commencing on December 15, 2021.

Lease payments are paid monthly in amounts designated in Schedule I of the lease agreement dated December 10, 2020, which are based on related mortgage note payments of the landlord. Effective June 2021, an amendment to the lease was agreed to increase the base rent for the 2022-2023 fiscal year. The Schedule I payment schedule is only for the first five (5) years of the lease as the related note payable was expected to be refinanced at that time and future lease payments were undeterminable. The lease has since been terminated.

Student Transportation (Bus)

IDEA LA leased several school buses for student transportation purposes under lease agreements commencing from August 2018 through August 2022. Payment terms under these leases vary from monthly to semi-annual lease payments. The lease payments are recognized on a straight-line basis at \$46,605 per month.

Administrative Transportation (Van)

IDEA LA leased several vans for administrative transport purposes under a lease agreement commencing August 2018. Lease agreement ended July 2021, which was then converted to a month-to-month rental agreement that is evaluated on an annual basis by the School. Lease payments under the lease are \$930 per month.

Office Equipment

IDEA LA leased several pieces of office equipment for administrative purposes under various lease agreements commencing May 8, 2021. Lease payments under the lease are \$6,820 per month.

IT Equipment

IDEA LA leases computers for administrative purposes under various lease agreements commencing September 1, 2019. Lease payments under these leases are \$35,130 per month. The leases are scheduled to terminate from July 2024 through July 2027.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(8) OPERATING LEASE COMMITMENTS (CONTINUED)

Additional information about IDEA’s leases is as follows for the year ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating lease cost	<u>\$ 3,651,792</u>	<u>\$ 5,134,445</u>
Cash paid for amounts in lease liabilities	\$ 3,574,511	\$ 4,439,806
Operating cash flows from operating leases	3,574,511	4,439,806
Right-of-use assets obtained in exchange for new operating lease liabilities	73,875	829,476
Weighted-average remaining lease term-operating leases	0 years	20.91 years
Weighted-average discount rate-operating leases	0.00%	3.16%

As of June 30, 2025, IDEA LA Schools voluntarily relinquished its charter and all leases under IDEA LA Schools are no longer in effect beyond that date.

(9) MANAGEMENT COMPANY

IDEA LA has a contract for certain management and administrative services which is based on 10 percent of revenues. Also, the management company will pay for certain direct expenses for which IDEA LA will reimburse the management company. For the years ended June 30, 2025 and 2024, \$2,383,705 and \$3,513,923, respectively, was incurred for management and administrative services. For the years ended June 30, 2025 and 2024, \$29,796,316 and \$29,573,037 was incurred for reimbursable direct expenses consisting of contracted employees, occupancy/rent, insurance, supplies, travel, and other costs for the direct benefit of IDEA LA, respectively. As of June 30, 2025 and 2024, IDEA LA had \$0 and \$2,200,767 payable to the management company for direct expenses, respectively. Management company also receives certain grants for IDEA LA. At June 30, 2025 and 2024, IDEA LA had \$1,338,208 and \$1,254,418 due from management company.

(10) ECONOMIC DEPENDENCY

IDEA LA receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP) funding for the years ended June 30, 2025 and 2024 totaled \$27,442,649 and \$36,110,070, respectively. Funding was received from various federal grants passed through the State of Louisiana totaled \$2,912,663 and \$6,482,925 for the years ended June 30, 2025 and 2024, respectively. The grant amounts are appropriated each year by the federal and state governments.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(11) GRANT PROGRAM CONTINGENCIES

IDEA LA 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 IDEA LA 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, 2025 and 2024 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 IDEA LA.

(12) CONTINGENCIES – DISPUTED LEGAL FEES

As of June 30, 2025, IDEA LA is engaged in a dispute regarding the validity of professional services with a legal services provider. The total amount under dispute is \$311,337. Management has evaluated the services rendered and recorded an accrual of \$1,180, representing the portion of the invoiced amount not subject to dispute. While IDEA LA does not believe the additional amount is owed and intends to contest the remaining balance, it is reasonably possible that an unfavorable outcome could result in a liability up to the full amount of \$311,337. However, due to the uncertainties of litigation and negotiations, no additional accrual has been recorded as of the date of these financial statements. According to management and its legal counsel the ultimate outcome of this matter is uncertain, and the final amount paid could differ from management's current estimate. IDEA LA will recognize any change in the recorded liability in the period in which the resolution becomes known.

(13) SUBSEQUENT EVENTS

On July 10, 2025, the Board of Directors of IDEA Public Schools Louisiana, Inc. approved the transfer of funds to address loan defaults related to the IDEA Bridge and IDEA Innovation properties. Under agreements with Equitable Facilities Fund, Inc. and First-Citizens Bank & Trust Company, the lenders agreed to temporarily waive the defaults upon receipt of transfers totaling \$8.36 million by July 15, 2025. These transfers are intended to suspend the defaults until the properties are sold, with proceeds expected to repay the loan obligations.

SUPPLEMENTARY INFORMATION

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2025

	Jeffrey Cottrill
Time served	07/01/24 through 06/30/25
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Total compensation, benefits, and other payments	\$ -

Note: Jeffrey Cottrill was not paid using public funds.

**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
IDEA Public Schools Louisiana, Inc.
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of IDEA Public Schools Louisiana, Inc. (a non-profit corporation), which comprise the statements of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered IDEA Public Schools Louisiana, Inc. 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of IDEA Public Schools Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the IDEA Public Schools Louisiana, Inc.'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
IDEA Public Schools Louisiana, Inc.
Baton Rouge, Louisiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether IDEA Public Schools Louisiana, Inc. 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 IDEA Public Schools Louisiana, Inc. internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IDEA Public Schools Louisiana, Inc. 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 1, 2025
Baton Rouge, 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
IDEA Public Schools Louisiana, Inc.
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited IDEA Public Schools Louisiana, Inc.'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 IDEA Public Schools Louisiana, Inc.'s major federal programs for the year ended June 30, 2025. IDEA Public Schools Louisiana, Inc.'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, IDEA Public Schools Louisiana, Inc. 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, 2025.

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 IDEA Public Schools Louisiana, Inc. 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 IDEA Public Schools Louisiana, Inc.'s compliance with the compliance requirements referred to above.

To the Board of Directors and Management of
IDEA Public Schools Louisiana, Inc.
Baton Rouge, 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 IDEA Public Schools Louisiana, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on IDEA Public Schools Louisiana, Inc.'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 IDEA Public Schools Louisiana, Inc.'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 IDEA Public Schools Louisiana, Inc.'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 IDEA Public Schools Louisiana, Inc.'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 IDEA Public Schools Louisiana, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.



To the Board of Directors and Management of
IDEA Public Schools Louisiana, Inc.
Baton Rouge, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

December 1, 2025
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED FOR THE YEAR ENDED JUNE 30, 2025

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 East Baton Rouge Parish School System</i>		
Title I Grants to Local Educational Agencies	84.010	\$ 830,197
Supporting Effective Instruction State Grants	84.367	41,104
Comprehensive Literacy State Development	84.371C	20,339
Student Support and Academic Enrichment Program	84.424	30,480
Education Stabilization Fund		
COVID-19 Rethink K-12 Education Models Grants	84.425D	\$ 20,160
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425U	<u>1,204</u>
Total Education Stabilization Fund		<u>21,364</u>
Total U.S. Department of Education		<u>943,484</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	532,418
National School Lunch Program	10.555	<u>1,277,314</u>
Total Child Nutrition Cluster		1,809,732
Child and Adult Care Food Program	10.558	292,446
Farm to School Grant Program	10.575	<u>124</u>
Total U.S. Department of Agriculture		<u>2,102,302</u>
Total expenditures of federal awards		<u>\$ 3,045,786</u>

(See Independent Auditors' Report)

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of IDEA Public Schools Louisiana, Inc. under programs of the federal government for the year ended June 30, 2025. 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 IDEA Public Schools Louisiana, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of IDEA Public Schools Louisiana, Inc.

(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, 2025.

Non-Cash Assistance

Nonmonetary assistance in the amount of \$86,968, \$169,770, \$16,464, \$41,104, and \$20,161 is reported in the schedule as AL No. 10.555, 84.010, 84.367A, 84.424A, and 84.425B, respectively, at the fair market value of the commodities received and disbursed.

(3) INDIRECT COST RATE

IDEA Public Schools Louisiana, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of IDEA Public Schools Louisiana, Inc.
2. No significant deficiencies or material weakness 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 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 IDEA Public Schools Louisiana, Inc. 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 major program was the Child Nutrition Cluster (AL Nos. 10.555 and 10.553) and Title 1 (AL Nos. 84.010).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. IDEA Public Schools Louisiana, Inc. was not determined to be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2025.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statement audit for the year ended June 30, 2025.

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, 2025.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Material Weakness

Finding 2024-001 Internal Controls over Financial Reporting – In-Kind Donations

Condition: IDEA LA did not identify and record all in-kind transactions that occurred throughout the year, which caused both revenues and expenses to be understated by \$370,814.

This finding has been resolved as of June 30, 2025.

II. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL AWARDS

Not applicable.

III. MANAGEMENT LETTER

Not applicable.

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



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management of
IDEA Public Schools Louisiana, Inc.
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of IDEA Public Schools Louisiana, Inc. for the fiscal year ended June 30, 2025 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 IDEA Public Schools Louisiana, Inc. is responsible for its performance and statistical data.

IDEA Public Schools Louisiana, Inc. 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
IDEA Public Schools Louisiana, Inc.

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: Three employees' educational levels did not agree between the PEP report and the personnel file and eleven employees' years of experiences did not agree between the PEP report and the personnel file.

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.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors and Management of
IDEA Public Schools Louisiana, Inc.

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

We are required to be independent of IDEA Public Schools Louisiana, Inc. 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 IDEA Public Schools Louisiana, Inc., as required by Louisiana Revised Statute 24:514.I, and for the information and use of IDEA Public Schools Louisiana, Inc., 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 1, 2025
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2025

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	<u>Column A</u>	<u>Column B</u>
General Fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 6,887,330	
Other instructional staff salaries	15,178	
Instructional staff employee benefits	1,324,409	
Purchased professional and technical services	1,260,232	
Instructional materials and supplies	592,806	
Instructional equipment	-	
Total teacher and students interaction activities	-	\$ 10,079,955
Other instructional activities		264,525
Pupil support services	1,205,146	
Less: equipment for pupil support services	-	
Net pupil support services		1,205,146
Instructional staff services	203,888	
Less: equipment for instructional staff services	-	
Net instructional staff services		203,888
School administration	18,501,316	
Less: equipment for school administration	-	
Net school administration		18,501,316
Total General Fund instructional expenditures (total of column B)		<u>\$ 30,254,830</u>
Total General Fund equipment expenditures		<u>\$ -</u>
<u>CERTAIN LOCAL REVENUE SOURCES</u>		
Total local taxation revenue		<u>\$ -</u>
Total local earnings on investment in real property		<u>\$ -</u>
Total state revenue in lieu of taxes		<u>\$ -</u>
Nonpublic textbook revenue		<u>\$ -</u>
Nonpublic transportation revenue		<u>\$ -</u>

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

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2025
AS OF OCTOBER 1, 2024

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	74%	489	22%	143	4%	29	0%	-
Elementary/Activity Classes	74%	59	23%	18	4%	3	0%	-
Middle/Jr. High	58%	139	29%	70	13%	30	0%	-
Middle/Jr. High Activity Classes	54%	20	32%	12	14%	5	0%	-
High	76%	231	16%	49	7%	22	1%	2
High Activity Classes	75%	12	13%	2	13%	2	0%	-
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.

IDEA PUBLIC SCHOOLS LOUISIANA, INC.
CORRECTIVE ACTION PLAN – BESE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025

December 1, 2025

Louisiana Legislative Auditor

IDEA Public Schools Louisiana, Inc. respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
8550 United Plaza Boulevard, Suite 600
Baton Rouge, Louisiana 70809

Engagement Period: July 1, 2024 – June 30, 2025

The exceptions from the Agreed-Upon Procedures Report are discussed below:

Education Levels/Experience of Public-School Staff (NO SCHEDULE)

Exceptions: Three employees’ educational levels did not agree between the PEP report and the personnel file and eleven employees’ years of experiences did not agree between the PEP report and the personnel file.

Management’s Response to Exceptions:

Given that the charters have been relinquished and the prior fiscal year represented the final year of school operations, management notes that the discrepancies identified between the PEP report and personnel files are administrative in nature and limited in scope. These variances primarily reflect timing differences and inconsistencies in historical recordkeeping rather than underlying compliance concerns. As operations have ceased, no further reporting will be required. All relevant documentation has been retained in accordance with applicable record retention policies to support any future inquiries.

Sincerely,


Adam Miller (Mar 25, 2026 20:35:21 EDT)

Signature

Exec. Director

Title