



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**ROOTED SCHOOL**

**AUDITED FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2024**

## TABLE OF CONTENTS

	PAGE NO.
<b>Independent Auditor's Report</b>	1-3
<b>Financial Statements:</b>	
Statement of Financial Position – As of June 30, 2025 with Comparative Totals for June 30, 2024	4
Statement of Activities and Changes in Net Assets – For the Year Ended June 30, 2025 with Summarized Comparative Totals For the Year Ended June 30, 2024	5
Statement of Functional Expenses – For the Year Ended June 30, 2025 with Summarized Comparative Totals For the Year Ended June 30, 2024	6
Statement of Cash Flows – For the Fiscal Year Ended June 30, 2025 with Comparative Totals For the Fiscal Year Ended June 30, 2024	7
<b>Notes to the Financial Statements</b>	8-14
<b>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 <i>Government Auditing Standards</i></b>	15-16
<b>Schedule of Findings and Questioned Costs</b>	17-18
<b>Status of Prior Year Findings and Questioned Costs</b>	19
<b>Supplementary Information:</b>	
Schedule of Compensation, Benefits, And Other Payments to Agency Head or Chief Executive Officer For the Fiscal Year Ended June 30, 2025	20
<b>Independent Accountant's Report on Applying Agreed-Upon Procedures – Performance and Statistical Data</b>	21-23
<b>Schedules Required by State Law</b>	24
<b>SCHEDULE I</b>	
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	25
<b>SCHEDULE II</b>	
Class Size Characteristics	26



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Rooted School  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Rooted School (a nonprofit organization)(the School), 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 fiscal year then ended, and the related notes to the financial statements.

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

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head (the schedule), Schedule I – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources, and Schedule II – Class Size Characteristics, as required by Act 706 of the 2014 Louisiana Legislative Session and Louisiana Revised Statute 24:514, are presented for purposes of additional analysis and are not a required part of the basic 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 schedule 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 procedures performed in accordance with auditing standards generally accepted in the United States of America, and in our opinion is fairly stated, in all material respects, in relation to the financial statements as a whole. The remaining supplementary schedules were subjected only to limited procedures, consisting of inquiries of management regarding the methods of preparation and comparisons for consistency with management's responses, the basic financial statements, and other knowledge obtained during our audit; accordingly, we do not express an opinion or provide any assurance on them because the limited procedures do not provide sufficient appropriate evidence to do so.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 the School's internal control over financial reporting and compliance.

### ***Report on Summarized Comparative Information***

We have previously audited the School's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
December 4, 2025

**ROOTED SCHOOL**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2025**  
**WITH COMPARATIVE TOTALS FOR JUNE 30, 2024**

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,566,214	\$ 1,196,437
Grants Receivable	47,398	47,875
Prepaid Expenses and Other Assets	46,012	60,406
<b>Total Current Assets</b>	1,659,624	1,304,718
<b>Non-Current Assets</b>		
Property and Equipment, net	18,009	-
Right of Use Asset - Operating Lease	179,832	351,697
<b>Total Non-Current Assets</b>	197,841	351,697
<b>Total Assets</b>	1,857,465	1,656,415
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	121,809	92,962
Accrued Expenses	8,437	4,444
Funds Held for Others	-	5,000
Operating Lease Liability - Current	183,456	171,865
<b>Total Current Liabilities</b>	313,702	274,271
<b>Non-Current Liabilities</b>		
Operating Lease Liability - Non-Current	-	183,456
<b>Total Non-Current Liabilities</b>	-	183,456
<b>Total Liabilities</b>	313,702	457,727
<b>Net Assets</b>		
Without Donor Restrictions	1,543,763	1,198,688
<b>Total Net Assets</b>	1,543,763	1,198,688
<b>Total Liabilities and Net Assets</b>	\$ 1,857,465	\$ 1,656,415

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

**ROOTED SCHOOL**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**  
**WITH SUMMARIZED COMPARATIVE TOTALS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>2025</b>			<b>2024</b>
	<b>Without</b>	<b>With</b>	<b>Total</b>	<b>Total</b>
	<b>Donor Restrictions</b>	<b>Donor Restrictions</b>		
<b>Revenues</b>				
State and Local Public School Funding	\$ 2,647,725	\$ -	\$ 2,647,725	\$ 1,975,661
Other State Revenue	110,569	-	110,569	62,592
Federal Grants	320,337	-	320,337	396,722
Donations	43,377	-	43,377	21,175
Other Income	83,597	-	83,597	3,780
<b>Total Revenues</b>	<u>3,205,605</u>	<u>-</u>	<u>3,205,605</u>	<u>2,459,930</u>
<b>Expenses</b>				
Program Services	1,884,063	-	1,884,063	2,190,620
Management and General	964,537	-	964,537	864,096
Fundraising	-	-	-	-
<b>Total Expenses</b>	<u>2,848,600</u>	<u>-</u>	<u>2,848,600</u>	<u>3,054,716</u>
<b>Change in Net Assets</b>	357,005	-	357,005	(594,786)
<b>Net Assets, Beginning of Period</b>	1,198,688	-	1,198,688	1,793,474
<b>Net Assets Adjustment</b>	<u>(11,930)</u>	<u>-</u>	<u>(11,930)</u>	<u>-</u>
<b>Net Assets, End of Period</b>	<u>\$ 1,543,763</u>	<u>\$ -</u>	<u>\$ 1,543,763</u>	<u>\$ 1,198,688</u>

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

**ROOTED SCHOOL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**  
**WITH SUMMARIZED COMPARATIVE TOTALS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>2025</b>				<b>2024</b>
	<b>Program Services</b>	<b>Management and General</b>		<b>Fundraising</b>	<b>Total</b>
		<b>General</b>	<b>Fundraising</b>		
Salaries and Wages	\$ 984,937	\$ 311,727	\$ -	\$ 1,296,664	\$ 1,431,855
Pension Expense	23,280	7,352	-	30,632	35,449
Other Employee Benefits	109,966	34,726	-	144,692	157,929
Payroll Taxes	73,748	23,289	-	97,037	108,010
Other Fees for Services	337,890	80,304	-	418,194	564,700
Legal Expenses	-	111,592	-	111,592	132,464
Accounting Expenses	-	139,060	-	139,060	106,730
Occupancy Expense	156,060	72,498	-	228,558	214,393
Insurance Expense	-	27,061	-	27,061	27,238
Depreciation Expense	-	1,385	-	1,385	-
Instructional Materials	73,918	-	-	73,918	186,913
Office Expense	118,599	19,521	-	138,120	20,810
Advertising and Promotion	-	21,908	-	21,908	12,408
Travel Expenses	5,665	8,011	-	13,676	13,679
Other Expenses	-	106,103	-	106,103	42,138
Total Expenses	<u>\$ 1,884,063</u>	<u>\$ 964,537</u>	<u>\$ -</u>	<u>\$ 2,848,600</u>	<u>\$ 3,054,716</u>

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

**ROOTED SCHOOL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**  
**WITH COMPARATIVE TOTALS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 357,005	\$ (594,786)
Net Assets Adjustment	(11,930)	-
Adjustments to reconcile changes in net assets to		
Net Cash (Used) Provided by Operating Activities:		
Amortization of Right-Of-Use Asset - Operating Leases	171,865	164,406
Depreciation	1,385	-
Net Changes in Assets and Liabilities:		
(Increase)/Decrease in Grants Receivable	477	295,729
(Increase)/Decrease in Prepaid Expenses and Other Assets	14,394	(20,496)
Increase/(Decrease) in Accounts Payable	28,847	15,082
Increase/(Decrease) in Accrued Expenses	3,993	4,444
Increase/(Decrease) in Other Liabilities	(5,000)	5,000
Increase/(Decrease) in Lease Liability from Payments	(171,865)	(147,657)
Total Adjustments	44,096	316,508
Net Cash Provided/(Used) by Operating Activities	389,171	(278,278)
<b>Cash Flows from Investing Activity</b>		
Purchases of Fixed Assets	(19,394)	-
Net Cash Provided/(Used) in Investing Activity	(19,394)	-
Net Change in Cash and Cash Equivalents	369,777	(278,278)
<b>Cash and Cash Equivalents - Beginning of Period</b>	1,196,437	1,474,715
<b>Cash and Cash Equivalents - End of Period</b>	\$ 1,566,214	\$ 1,196,437

**NON-CASH TRANSACTIONS**

Right of Use Asset - Operating Lease	-	516,103
Operating Lease Liability	-	(502,978)

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

**ROOTED SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 – ORGANIZATION**

The Rooted School (“the School”) was created as a nonprofit corporation under the laws of the state of Louisiana in 2014. The School applied to the Orleans Parish School Board (“OPSB”) to operate a Type 1 charter school. The OPSB approved the charter of the School for a period of five years commencing on July 1, 2017 and ending on June 30, 2022. The charter was renewed on June 10, 2022 for a second term to expire June 30, 2027. The school serves eligible students in ninth through twelfth grade.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

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.

Basis of Presentation

In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958, which established standards for external financial reporting by not-for-profit organizations, the School classifies resources for accounting and reporting purposes into two net asset categories which are with donor restrictions and without donor restrictions. A description of these two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed restrictions.
- Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**ROOTED SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the School considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

Grants Receivable

Grants receivable primarily represent amounts due from federal and state governments, contributions, and exchange transactions as of June 30, 2025. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

Property and Equipment

Property and equipment acquisitions with a cost of \$1,000 or more are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. As of year-end, the School's only fixed asset has an estimated useful life of seven years.

Compensated Absences

The School does not allow employees to carry over unused vacation. Accordingly, there were no compensated absence accrued benefits at June 30, 2025.

Revenue Recognition

The School's primary sources of funding are through the State Public School Fund and federal grants, as well as private donations. Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Unconditional contributions, or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as revenue with or without donor restrictions, depending on the existence and nature of any 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. Conditional contributions are recognized when the barriers to entitlement are overcome and the promises become unconditional. Unconditional contributions are recognized as revenue when received.

**ROOTED SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition (continued)

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Exchange transactions follow the revenue recognition rules of Accounting Standards Codification 606, *Revenue from Contracts with Customers*. For cost reimbursement grants, an accrual is made when eligible expenses are incurred. Amounts received from the State Public Fund are conditional and recognized as revenue by the School based on the enrollment of students.

Functional Allocation of Expenses

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, and other expenses, which are allocated on the basis of estimates of time and effort.

Income Taxes

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files an exempt tax return and applicable unrelated business income tax return in the U.S. federal jurisdiction.

Leases

The School determines if a contract contains a lease when the contract conveys the right to control the use of identified assets for a period in exchange for consideration. Upon identification and commencement of a lease, The School establishes a right-of-use (ROU) asset and a lease liability. Operating leases, if any, are included in Right-Of-Use Asset - Operating Lease and Lease Liability on the accompanying statement of financial position. Finance leases, if any, are included in Fixed Assets and Finance Lease Liability.

The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal options that the School is reasonably certain to exercise as well as any period that the School has control over the asset before the stated initial term of the agreement. If the School determines a reasonable certainty of exercising termination or early buyout options, then the lease terms are adjusted to account for these facts. The School's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**ROOTED SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Leases (continued)

The School uses the risk-free rate as the discount rate for all classes of underlying assets when the interest rate is not implicitly or explicitly stated in the lease agreement at commencement date. The School does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

Recent Accounting Pronouncements

There were no recent accounting pronouncements issued during the year ended June 30, 2025 that had an effect on the School’s financial statements.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the year ended June 30, 2025 were \$21,908.

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

The Organization maintains cash accounts with one financial institution. As of June 30, 2025, bank balances exceeded the federal insured amount of \$250,000 by \$1,316,214. The Organization’s deposits qualify as public funds, and the financial institution has entered into an agreement to provide pledged collateral to secure these deposits in excess of federally insured limits. Accordingly, management believes the Organization’s exposure to credit risk related to these deposits is mitigated. The Organization has not experienced any losses in such accounts.

**NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following represents the School’s financial assets available to meet cash needs for general expenditures within one year of the statement of financial position date:

Financial Assets	Amount
Cash and Cash Equivalents	\$ 1,566,214
Grants Receivable	<u>47,398</u>
Total Financial Assets	1,613,612
Less: Donor-restricted funds	-
Less: Board-designated reserves	<u>-</u>
Financial Assets Available within One Year	<u>\$ 1,613,612</u>

The School seeks to maintain adequate liquidity to meet its operating obligations and manages cash flows on a monthly basis. Financial assets are structured to be available to meet general expenditures, liabilities, and other obligations as they come due. The School does not have donor-restricted or board-designated reserves as of June 30, 2025.

**ROOTED SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2025 consists of the following:

	2025
Machinery & Equipment	\$ 19,394
Accumulated Depreciation	(1,385)
Net Fixed Assets	\$ 18,009

Depreciation expense for the year ended June 30, 2025 was \$1,385.

**NOTE 6 – LEASES**

During the fiscal year ended June 30, 2024, the School entered into a lease agreement that qualified for recognition under ASC 842, *Leases*, which requires an organization to record a lease asset and liability based upon its lease agreements. The lease agreement is for classroom space at a University campus. The lease started on July 1, 2023 and expires on June 30<sup>th</sup> 2026. The first year annual payment is \$180,000 and increases by 2% each year.

To calculate the lease asset and lease liability at the origination of the lease, the School used a discount rate of 4.49%, which is their incremental borrowing rate, and then calculated the present value of future lease payments. Each year, the asset and liability are reduced based upon the actual payments and a calculated amortization schedule. Total rent expense for the year ended June 30, 2025 totaled \$183,600 and is included in Occupancy Expense, as reported on the Statement of Functional Expenses.

Supplemental balance sheet information related to the operating lease is as follows:

<b><i>Operating Lease</i></b>	
Operating Lease ROU Asset	\$ 516,103
Operating Lease ROU Asset	(336,271)
	\$ 179,832
 Operating Lease Liability	 \$ 183,456

***Other Information***

Weighted-Average Remaining Lease	1.00
Term in Years for Operating Lease	4.49 %

**ROOTED SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 6 – LEASES (CONTINUED)**

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liability recognized on the balance sheet are as follows as of June 30, 2025:

Year Ending June 30,	Lease Payments
2026	\$ 187,272
2027	-
2028	-
2029	-
2030	-
Thereafter	-
Total Future Minimum Lease Payments	<u>187,272</u>
Less imputed interest	<u>(3,816)</u>
Total Present Value of Lease Liabilities	<u>\$ 183,456</u>

**NOTE 7 – NET ASSETS ADJUSTMENT**

Management determined that a net asset adjustment of (\$11,930) was necessary to properly state beginning net assets for the year ended June 30, 2025. This can be attributed to audit adjustments not recorded in the prior years.

**NOTE 8 – EMPLOYEE RETIREMENT**

The School offers an IRC Section 401(k) retirement plan to each of its qualifying employees. Employer and employee contributions are used to purchase annuity contracts for each participant employee. Employer matching contributions are made as a percentage of elective deferrals for each employee who is eligible for employer contributions. Additionally, the employer may elect to make a discretionary contribution for each qualifying employee for each plan year. The amount of employer contributions used to purchase annuity contracts for the year ended June 30, 2025 was \$30,631.

**NOTE 9 – ECONOMIC DEPENDENCY**

The School receives the majority of its revenues through the State Public School Fund and federal grants. During the fiscal year ended June 30, 2025, approximately 83% of total revenue was received from the State Public School fund and 10% of total revenue was received from federal grants. The grant amounts are appropriated each year by federal and state governments. If significant budget cuts are made at the federal, state and/or local level, the amount of funds the School receives could be reduced significantly and could have an adverse impact on its operations.

**ROOTED SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 10 – CONTINGENCIES, COMMITMENTS, AND UNCERTAINTIES**

On November 9, 2023, NOLA Public Schools issued a Level 2 Notice of Non-Compliance to the School citing alleged violations of district enrollment and financial policies. The district contended that the School Maintained 26 students on its 2022-2023 roster beyond the permitted number of student absences, and as a result, obtained MFP funds inappropriately. NOLA Public Schools originally demanded the School repay \$610,776. The School strongly disagreed with the district's position and asserted that it did not violate district policies. The School had complied with all records requests from the district. As of the date of this report, the matter has been resolved. On June. 6, 2025 the School made a payment of \$47,238 to NOLA Public Schools. NOLA Public Schools closed the Level 2 Notice of Non-Compliance matter and communicated in a letter to the School that the School was in good standing on June 17, 2025.

**NOTE 11 – SUBSEQUENT EVENTS**

Management evaluated subsequent events as of December 4, 2025, which is the date these financial statements were available to be issued. Management noted that there are no additional disclosures or adjustments required to these financial statements.



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

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

To the Board of Directors of  
Rooted School  
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 financial statements of Rooted School (a nonprofit organization)(the School), 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 fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Other Reporting Considerations**

The Louisiana Legislative Auditor requires the School to undergo a separate agreed-upon procedures (AUP) engagement under the Louisiana Governmental Audit Guide. The procedures applied and exceptions noted in that engagement are not part of our audit of the financial statements conducted in accordance with *Government Auditing Standards*. The AUP exceptions relate solely to compliance with state-prescribed policies and procedures and do not represent deficiencies in internal control or instances of noncompliance 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
December 4, 2025

**ROOTED SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**PART I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

An unmodified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified?            \_\_\_yes     X no

Significant deficiencies identified  
not considered to be material weaknesses?    \_\_\_yes     X none reported

Noncompliance material to financial statements noted?    \_\_\_yes     X no

**Federal Awards**

N/A, the School did not expend over \$750,000 in federal expenditures.

**ROOTED SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**PART II – FINANCIAL STATEMENT FINDINGS**

There were no findings noted during the year ended June 30, 2025.

**ROOTED SCHOOL  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<b><u>Finding #</u></b>	<b><u>Description</u></b>	<b><u>Resolved/Unresolved</u></b>
N/A	No Prior Year Findings	N/A

**ROOTED SCHOOL**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Agency Head Name:** Kaitlin Karpinski

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 137,350
Benefits-FICA	9,763
Benefits-insurance	-
Benefits-retirement	5,294
Benefits-executive parking	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<u>\$ 152,407</u>



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES - PERFORMANCE AND STATISTICAL DATA**

To the Board of Directors of Rooted School,  
the Louisiana Department of Education, and  
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Rooted School ("the School") 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 the School is responsible for its performance and statistical data.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all 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 I)**

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

**Findings:** Based upon our examination of the supporting documentation, we noted no exceptions in our sample.

### **Class Size Characteristics (Schedule II)**

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 1st roll books for those classes and observed that the class was properly classified on the schedule.

**Findings:** Based upon our examination of the supporting documents, we noted no exceptions in our sample.

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

3. We obtained October 1<sup>st</sup> 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.

**Findings:** Based upon our examination of the supporting documents, we noted no exceptions in our sample.

### **Public School Staff Data: Average Salaries (NO SCHEDULE)**

4. We obtained June 30<sup>th</sup> 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).

**Findings:** Based upon our examination of the supporting documents, we noted no exceptions in our sample.

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

We are required to be independent of the School 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 the performance and statistical data accompanying the annual financial statements of the School, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
December 4, 2025

**Rooted School  
New Orleans, Louisiana  
Schedules Required by State Law  
(R.S. 24:514 – Performance and Statistical Data)  
As of and for the Year Ended June 30, 2025**

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

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

**Schedule 2 (Formerly Schedule 6) Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

**ROOTED SCHOOL**  
**NEW ORLEANS, LOUISIANA**  
**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES**  
**AND CERTAIN LOCAL REVENUE SOURCES**  
**SCHEDULE I**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Schedule I

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	593,557	
Other Instructional Staff Salaries	71,709	
Instructional Staff Employee Benefits	148,296	
Purchased Professional and Technical Services	63,093	
Instructional Materials and Supplies	33,774	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	910,429
Other Instructional Activities		575,181
Pupil Support Services	201,059	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services	-	201,059
Instructional Staff Services	45,006	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	45,006
School Administration	639,424	
Less: Equipment for School Administration	-	
Net School Administration	-	639,424
Total General Fund Instructional Expenditures (Total of Column B)		2,371,099
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		-
 <u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Ad Valorem Taxes		
Constitutional Ad Valorem Taxes		-
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Result of Court Ordered Settlement (Ad Valorem)		-
Penalties/Interest on Ad Valorem Taxes		-
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)		-
Sales Taxes		
Sales and Use Taxes - Gross		-
Sales/Use Taxes - Court Settlement		-
Penalties/Interest on Sales/Use Taxes		-
Sales/Use Taxes Collected Due to TIF		-
Total Local Taxation Revenue		-
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		-
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		-
Nonpublic Textbook Revenue		-
Nonpublic Transportation Revenue		-

**ROOTED SCHOOL  
NEW ORLEANS, LOUISIANA  
CLASS SIZE CHARACTERISTICS  
SCHEDULE II  
AS OF JUNE 30, 2025**

**Schedule II**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High	32.50%	26	30.00%	24	25.00%	28	2.50%	2
High Activity Classes	42.90%	3	28.60%	2	28.60%	2	0%	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.



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**ROOTED SCHOOL**

**AGREED UPON PROCEDURES REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



*Luther Speight & Company, LLC*  
*Certified Public Accountants and Consultants*

## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of  
Rooted School  
and the Louisiana Legislative Auditor:

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 fiscal period July 1, 2024 through June 30, 2025. Rooted School's management is responsible for those C/C areas identified in the SAUPs.

Rooted School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. 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 as follows:

### ***Written Policies and Procedures***

---

1. 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 preparing, adopting, monitoring, and amending the budget.

***Results:*** *The written policies and procedures appropriately address the required elements above.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- 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.

*Results: The written policies and procedures appropriately address the above elements except for how vendors are added to the vendor list.*

*Management's Response: The Director of Operations identifies and works with vendors on behalf of the school. When a new vendor is identified, the Director of Operations collects a W-9 form and an ACH/Direct Deposit form from the vendor, and creates a new vendor profile in Anybill, the school's Accounts Payable platform.*

*This information is automatically synced into QuickBooks when the bill is processed for payment. Vendor lists are available through both Anybill and QuickBooks and can be filtered to identify vendor status and payment activity.*

- c) **Disbursements**, including processing, reviewing, and approving

*Results: The written policies and procedures appropriately address the required elements above.*

- d) **Receipts/Collections**, including receiving, recording, and 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).

*Results: The written policies and procedures appropriately address the required elements above.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*Results: The written policies and procedures appropriately address the required elements above.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- 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

*Results: The written policies and procedures appropriately address the above elements except for legal review and monitoring process.*

*Management's Response: The Director of Operations works with legal counsel to review contracts. When required, contracts are presented to the Board of Directors for approval. Ongoing contracts are monitored for performance by the Rooted Director of Operations and Executive Director.*

- 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)

*Results: The written policies and procedures appropriately address the required elements above.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*Results: The written policies and procedures appropriately address the required elements above except for dollar thresholds by category of expense.*

*Management's Response: Spending thresholds are not identified in the policy manual because no specific thresholds are followed. Per inquiry with the client, each reimbursement request is reviewed by the director prior to payment, and top-level reimbursements are reviewed by the Board. We have advised management to update the policy manual accordingly. The policy manual will be updated immediately for SY25–26.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*Results: Not applicable to the Entity.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Results: Not applicable to the Entity.*

- k) **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.

*Results: The written policies and procedures appropriately address the above elements except for identification of critical data and frequency of data backups, storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.*

*Management's Response: Rooted School stores all data remotely, using Google Cloud services. This remote service provides off site backup for all network data in real time. Periodic backup testing occurs every 30 days. Antivirus protection is provided by Windows Defender.*

*System and software updates occur once a month, every 30 days. After a critical event, recovery is managed by the Rooted Director of Technology and the SUNO IT Department, using VMware. QuickBooks Online is continuously updated through the QuickBooks cloud computing platform.*

- 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: Not applicable to the Entity.*

**Board or Finance Committee**

---

2. 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:

**ROOTED SCHOOL**  
**AGREED UPON PROCEDURES REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- 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.

*Results: The Board met in August, and October of 2024. In 2025, the Board met in February, April, June and August. No exceptions noted.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*

*Results: The Entity is a non-profit. Financial statements are presented at the board meetings and include budget-to-actual comparisons.*

- 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.

*Results: Not applicable, as the Entity is a non-profit.*

- 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: Not applicable, as there were no findings in the prior year's audit report.*

***Bank Reconciliations***

---

3. Obtain a listing of client 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 selected each account, and observe that:

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Results:** List of bank accounts and management's representation were obtained. We selected the month of June 2025 for the testing below.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

**Results:** Per review of the 3 bank statements and bank reconciliations, we noted that each had evidence of being reconciled. All reconciliations were prepared within 2 months of the statement's closing date. No exceptions noted.

- 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

**Results:** We noted that the bank reconciliations showed evidence of review by an individual who does not handle cash, post ledgers, or issue checks.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** We noted no reconciling items were outstanding for more than 12 months from the statement closing date.

- d) Review completed within 1 month of the date the reconciliation was prepared.

**Results:** We noted that the bank reconciliations showed no evidence of being reviewed within 1 month of the date the reconciliation was prepared.

**Management's Response:** For FY 2025, Rooted School has implemented a check-list system, so reviews occurred on a monthly rather than a quarterly basis. This included reconciling all banking and credit card transactions to the G/L to make sure they are properly allocated. This new system ensured the bank reconciliations are monitored and approved on a timely basis.

4. 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).

**Results:** LSC noted that any funds received in person or via postal service are received at the main office of the school site located at 6701 Press Drive, New Orleans, LA 70126.

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

*Collections*

---

5. 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 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.
  - 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.

***Results:** We have obtained and inspected written policies and procedures relating to employee job duties at the collection location and observed that the job duties are properly segregated. No exceptions noted.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

***Results:** Entity provided a copy of a crime insurance policy that was enforced during the fiscal period.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

7. 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).

*Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. 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 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:** We noted that the Entity’s collections were supported by proper documentation. No exceptions noted.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

8. 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).

***Results:** Any funds received in person or via postal service are received at the school site located at 6701 Press Drive, New Orleans, LA 70126.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

9. 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:
- 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.

*Results: We have obtained a listing of the employees involved and the written policies and procedures relating to employee job duties at the location mentioned above and observed that the job duties are properly segregated. No exceptions noted.*

10. 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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Results: We noted the original invoice/billing and all the supportive information matched up, including evidence of segregation of duties with no exceptions.*

11. 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, and (b) approved by the required number of authorized signers per the entity's policy.

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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: We observed 5 randomly selected non-payroll disbursements and noted no exceptions.*

**Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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12. 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.

*Results: We obtained a listing of all active cards and management's representation that the listing was complete. We noted that Rooted School utilized two credit cards during the year under audit.*

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) 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 whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*Results: We observed evidence that both credit card statements for May 2025 were reviewed and approved in writing.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*Results: We observed that late fees were assessed on the Chase credit card statement for May 2025. The Chase credit card are set-up on autopay, and have always been processed automatically without issue.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

14. 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 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: We were provided with proper documentation for every selected transaction. We noted no exceptions.*

**Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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15. 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 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](http://www.gsa.gov)).

*Results: Not applicable as the reimbursements we selected were not per diem.*

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*Results: Reimbursements using actual costs were supported by the original itemized receipts. No exceptions noted.*

- c) Observe 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 (#1h).

*Results: Each reimbursement was supported by documentation detailing the business/public purchase for the charge. No exceptions noted.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Results: Each reimbursement was reviewed and approved by someone other than the person receiving the reimbursement. No exceptions noted.*

***Contracts***

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16. 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*Results: We noted that all contracts selected were not subject to Louisiana Public Bid Law.*

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

*Results: Contracts are reviewed by legal counsel. When required, contracts are presented to the board for approval. Our selections did not require board approval.*

- c) If the contract was amended (e.g., change order), observe 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).

*Results: Our selections did not include any amendments. No exceptions noted.*

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

*Results: We noted that each invoice agreed with contract terms and conditions. No exceptions noted.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

***Payroll and Personnel***

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17. 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.

*Results: We requested and obtained paid salaries and personnel files for a selection of five (5) employees. The paid salaries agreed to the authorized salaries in each employee's personnel file. We noted no exceptions.*

18. 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 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.)

*Results: We've requested daily attendance records and leave documentation for the selected employees. We noted that all selections are salaried. Salaried employees do not have daily attendance documented by time sheets. Instead, Rooted School uses PTO reports for each employee as a record of attendance. Also, none of the five selections took leave, hence no further procedures were performed.*

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

*Results: Not applicable. The salaried employees do not have time sheets.*

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Results: We noted the Entity keeps track of leave taken for all employees in the Entity's cumulative leave records. There is no limit to leave taken or time off unless it is abused by the employee. No exceptions noted.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*Results: The rate paid to the selected employees agree to the authorized salaries found within the personnel files. We noted no exceptions.*

19. 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’s 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.

*Results: We randomly selected 2 employees that were terminated during the fiscal year and agreed their termination payments to their personnel files. No exceptions noted.*

20. 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 noted regarding this requirement.*

***Ethics***

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*Results: Not applicable as the Entity is a non-profit.*

***Debt Service***

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*Results: Not applicable as the Entity is a non-profit.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

***Fraud Notice***

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21. 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 the district attorney of the parish in which the entity is domiciled.

*Results: Management confirmed there were no misappropriations of public funds and assets during the fiscal year ended June 30, 2025.*

22. 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: The required notice above is present on Entity’s website. No exceptions noted.*

***Information Technology Disaster Recovery/Business Continuity***

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23. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*Results: The Entity provided evidence that they back up their critical data once every week.*

- 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.

*Results: We observed and noted that the Entity maintains documentation of its most recent backup restoration test, which shows the backup was successfully restored within the past three months. No exceptions noted.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- 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.

*Results: We performed the procedure and discussed the results with management.*

24. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*Results: We obtained the listing of computers in use and confirmed management’s representation that the listing is complete. We also noted that employees have active and up-to-date antivirus software and running operating system is supported. Entity’s cloud-based accounting software version is currently supported by the vendor. No exceptions noted.*

25. Observed evidence that employees with access to the agency’s information technology assets have received cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- 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 noted evidence that employees with access to the agency’s IT assets completed the required cybersecurity training in accordance with R.S. 42:1267. No exceptions noted.*

***Sexual Harassment***

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*Results: Not applicable as the Entity is a non-profit.*

**ROOTED SCHOOL  
AGREED UPON PROCEDURES REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**FINDINGS AND RECOMMENDATIONS SECTION**

1. **Late Fee on Credit Card** - During our performance of procedures related to credit card and debit card expenditures, we noted that one payment incurred a late fee. Management explained that the late fee resulted from a bank error in which the bank returned a timely payment submitted by the School. The late fee and the associated interest were subsequently reversed by the bank in the following month. Although the fee was ultimately reversed, late fees are considered unallowable under the Louisiana Governmental Audit Guide.

***Recommendation:*** Management should continue to monitor credit card payments to ensure they are submitted and processed timely. In situations where payments are returned or delayed due to bank error, management should follow up promptly with the financial institution to ensure such issues are corrected and do not recur.

2. **Review and Approval of Bank Reconciliations** – During our performance of procedures related to bank reconciliations, we observed that while monthly reconciliations were reviewed by management, the review documentation did not include the date of the reviewer’s signature. The Louisiana Governmental Audit Guide requires that bank reconciliations be prepared, reviewed, and approved timely generally within 45 days after month-end. Without a documented review date, we were unable to verify whether the review occurred within the required timeframe.

***Recommendation:*** Management should update its reconciliation review process to ensure that the reviewer’s signature includes the date of review. Clearly documenting the review date provides evidence of timely oversight, strengthens internal controls, and supports compliance with the Louisiana Governmental Audit Guide.

We were engaged by Rooted School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and 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 Rooted School 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.

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
December 4, 2025