



**D'Arbonne Woods Charter School, Inc.**

**FINANCIAL STATEMENTS**

**As of and for the Year Ended June 30, 2025**



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# REPORT





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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
D'Arbonne Woods Charter School, Inc.  
Shreveport, Louisiana

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

#### ***Opinion***

We have audited the accompanying financial statements of D'Arbonne Woods Charter School, Inc. (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 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 D'Arbonne Woods Charter School, Inc. 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 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 D'Arbonne Woods Charter School, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 D'Arbonne Woods Charter School, 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 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 D'Arbonne Woods Charter School, 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 D'Arbonne Woods Charter School, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation Paid to the Board of Trustees, Schedule of Compensation, Benefits and Other Payments to Agency Head and 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*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation Paid to the Board of Trustees, Schedule of Compensation, Benefits and Other Payments to Agency Head and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, on our consideration of D'Arbonne Woods Charter School 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 D'Arbonne Woods Charter School 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 D'Arbonne Woods Charter School Inc.'s internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, L.L.C.**

Shreveport, Louisiana  
March 31, 2026



# FINANCIAL STATEMENTS



**D'Arbonne Woods Charter School, Inc.**  
**Statement of Financial Position**

<i>June 30,</i>	<b>2025</b>
<b>Assets</b>	
Current assets	
Cash	\$ 7,596,935
Investments	225,973
Accounts receivable	6,138
Grants receivable	228,064
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Total current assets	8,057,110
Noncurrent assets	
Restricted cash	285,751
Assets limited as to use, held by fiscal agent	3,666,625
Property and equipment, net	23,825,894
Right-of-use assets, net - finance leases	205,677
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Total noncurrent assets	27,983,947
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Total assets	\$ 36,041,057
<hr/>	
<b>Liabilities and Net Assets (Deficit)</b>	
Current liabilities	
Accounts and retainage payable	\$ 727,746
School activity funds payable	1,131
Payroll liabilities	484,720
Interest payable	21,451
Lease liability, current - finance leases	36,641
Bonds payable, current	316,898
<hr/>	
Total current liabilities	1,588,587
Long-term liabilities	
Compensated absences	11,049
Lease liability, noncurrent - finance leases	166,712
Bonds payable, noncurrent	20,275,235
Less: Unamortized bond issuance cost	(204,016)
<hr/>	
Total long-term liabilities	20,248,980
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Total liabilities	21,837,567
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Net assets	
Without donor restrictions	13,933,838
With donor restrictions	269,652
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Total net assets (deficit)	14,203,490
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Total liabilities and net assets (deficit)	\$ 36,041,057
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*The accompanying notes are an integral part of these financial statements.*

**D'Arbonne Woods Charter School, Inc.**  
**Statement of Activities**

*For the year ended June 30,*

**2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
State public school funding	\$ 12,926,620	\$ -	\$ 12,926,620
Federal sources	937,592	-	937,592
State sources	66,538	-	66,538
Donations	215	25,309	25,524
Fundraisers	-	258,645	258,645
School activities	-	214,054	214,054
Meal income	57,334	-	57,334
Dues and fees	-	36,484	36,484
Investment income	244,997	-	244,997
ERTC refund	887,212	-	887,212
Other income	56,955	-	56,955
Net assets released from restrictions	547,674	(547,674)	-
<b>Total support and revenue</b>	<b>15,725,137</b>	<b>(13,182)</b>	<b>15,711,955</b>
<b>Expenses</b>			
Program services	12,975,063	-	12,975,063
Supporting services			
Management and general	1,252,828	-	1,252,828
Fundraising expenses	60,531	-	60,531
<b>Total supporting services</b>	<b>1,313,359</b>		<b>1,313,359</b>
<b>Total expenses</b>	<b>14,288,422</b>	<b>-</b>	<b>14,288,422</b>
<b>Change in net assets</b>	<b>1,436,715</b>	<b>(13,182)</b>	<b>1,423,533</b>
Net assets (deficit), beginning of year	12,497,123	282,834	12,779,957
<b>Net assets (deficit), end of year</b>	<b>\$ 13,933,838</b>	<b>\$ 269,652</b>	<b>\$ 14,203,490</b>

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

**D'Arbonne Woods Charter School, Inc.**  
**Statement of Functional Expenses**

***For the Year Ended June 30, 2025***

	Program Services		Supporting Services		2025 Total
	Program Services	Management and General	Fundraising	Supporting Subtotal	
Salaries and wages	\$ 6,154,715	\$ 290,557	\$ -	\$ 290,557	\$ 6,445,272
Employee benefits	2,381,350	111,873	-	111,873	2,493,223
Payroll taxes	105,554	4,383	-	4,383	109,937
Accounting and auditing	-	95,400	-	95,400	95,400
Advertising and promotion	-	2,336	-	2,336	2,336
Amortization	167,905	-	-	-	167,905
Books and periodicals	71,656	-	-	-	71,656
Depreciation	945,135	-	-	-	945,135
Dues and subscriptions	104,202	2,497	-	2,497	106,699
Food services	290,937	-	-	-	290,937
Insurance	158,023	28,569	-	28,569	186,592
Interest	-	524,000	-	524,000	524,000
Legal	-	1,844	-	1,844	1,844
Materials and supplies	547,166	140	60,531	60,671	607,837
Miscellaneous	119,956	126,059	-	126,059	246,015
Occupancy (maintenance)	584,974	-	-	-	584,974
Professional & technical services	754,465	56,799	-	56,799	811,264
Rental of equipment	150,042	4,295	-	4,295	154,337
Utilities	335,466	-	-	-	335,466
Student transportation	706	-	-	-	706
Travel	102,811	4,076	-	4,076	106,887
<b>Total Functional Expenses</b>	<b>\$ 12,975,063</b>	<b>\$ 1,252,828</b>	<b>\$ 60,531</b>	<b>\$ 1,313,359</b>	<b>\$ 14,288,422</b>

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

**D'Arbonne Woods Charter School, Inc.**  
**Statement of Cash Flows**

*For the year ended June 30,*

**2025**

**Operating Activities**

Change in net assets	\$	1,423,533
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization		945,135
Amortization of right-of-use assets		167,905
Amortization of debt issuance cost		13,181
Changes in operating assets and liabilities		
Accounts receivable		53,744
Grants receivable		(80,809)
Accounts payable		639,775
Accrued expenses		61,246
Activity funds payable		(14,968)
Compensated absences		(8,161)

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Net cash provided by (used in) operating activities 3,200,581

**Investing Activities**

Purchase of property and equipment		(1,919,337)
Purchase of investments		(301,347)

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Net cash provided by (used in) investing activities (2,220,684)

**Financing Activities**

Payments on note payable		(307,928)
Payments on finance lease liabilities		(155,835)

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Net cash provided by (used in) financing activities (463,763)

Net change in cash, cash equivalents and restricted cash 516,134

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Cash and cash equivalents, at beginning of year 7,366,552

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Cash and cash equivalents, at end of year \$ 7,882,686

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

**D'Arbonne Woods Charter School, Inc.**  
**Statement of Cash Flows**

*December 31,*

**2025**

**Presented on Statement of Financial Position as:**

Cash and cash equivalents	\$ 7,596,935
Restricted cash	285,751

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Cash and cash equivalents, at end of year	\$ 7,882,686
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**Schedule of Certain Cash Flow Information**

Cash paid for interest	\$ 488,483
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*The accompanying notes are an integral part of these financial statements.*

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 1: DESCRIPTION OF THE ORGANIZATION**

The D'Arbonne Woods Charter School, Inc. (the School) was granted a Type 2 charter by the Louisiana Board of Elementary or Secondary Education (BESE) to provide educational services in Union Parish to students beginning with the 2009-2010 school year. The curriculum is designed to meet the unique needs of rural, at-risk students. The School serves eligible students in kindergarten through twelfth grade. The School is governed by a seven-member board of directors.

At its March 9, 2012 meeting, the Louisiana State Board of Elementary and Secondary Education approved a material amendment to the School's charter allowing an increase in total enrollment and to add grades nine through twelve beginning with grade nine in the fall of 2012, subject to certain conditions set by the State Superintendent of Education. The School's Charter was renewed by BESE on December 13, 2023 for a term of eight years, terminating on June 30, 2032.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent 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. Estimates that are particularly susceptible to significant change in the near term are related to contributions of non-financial assets and allocation of functional expenses.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash and highly liquid investments with an original maturity of 90 days or less.

***Restricted Cash***

Restricted cash included in non-current assets on the statement of financial position represents amounts pledged as collateral for long-term financing arrangements as contractually required by a lender. The restriction will lapse when the related long-term debt is paid off.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 1: DESCRIPTION OF THE ORGANIZATION (Continued)**

***Accounts Receivable***

Accounts receivable represent amounts owed to the Organization which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses.

***Allowance for Credit Losses***

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. There was no allowance for credit losses as of June 30, 2025.

***Investments***

The School reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. Investments in unconsolidated subsidiaries in which the School has a 20% to 50% interest or otherwise exercises significant influence are accounted for on the equity method under which they are carried at cost, adjusted for the School's proportionate share of their undistributed earnings or losses.

Investments in privately held companies in which the School has less than a 20% interest are carried at cost. Dividends received from those companies are included in investment income. Investments in privately held companies in which the School has a 20% to 50% interest are carried at cost, adjusted for the School's proportionate share of their undistributed earnings or losses.

***Investments Held by Fiscal Agent***

Investments held with the fiscal agent, reported on the Statement of Financial Position as assets limited as to use, held by fiscal agent, are composed of United States Treasury Strips and Treasury Securities—State and Local Government Series (SLGS) and are carried at fair value.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 1: DESCRIPTION OF THE ORGANIZATION (Continued)**

***Property and Equipment***

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation is allocated between program services and management and general functions based on the proportion of square footage of the school building that is used in carrying out the activities in each function.

***Leases***

The School leases office space and equipment. The School determines if an arrangement is a lease at inception. Finance leases are included in finance lease right-of-use (ROU) assets, other current liabilities, and finance lease liabilities in the statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses [its incremental borrowing rate or a risk-free rate] based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

***Compensated Absences***

The school grants all employees of the School a total of ten to twelve days of paid sick leave per year. Sick leave may be accumulated from year to year with no limit. Upon retirement or death, the School will pay to the employee or his/her estate for any unused sick leave not to exceed 25 days. Unused sick leave may be applied to years of service at retirement. Unused sick leave is not paid upon termination or resignation. Compensated absences for sick leave have not been accrued since they cannot be reasonably estimated. The School's policy is to recognize these costs when actually paid.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 1: DESCRIPTION OF THE ORGANIZATION (Continued)**

***Compensated Absences (continued)***

All full-time personnel employed on a twelve-month fiscal year basis are entitled to annual leave of ten to fifteen days per year, based upon years of consecutive service. Unsecured leave may be accumulated at a rate of five days per year with a maximum of twenty days. Upon retirement, death, termination, or resignation, the School will pay to the employee or his or her estate for all unused annual leave.

***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

***Revenue Recognition***

Revenue from dues and fees, member services, and payments under various contracts is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 1: DESCRIPTION OF THE ORGANIZATION (Continued)**

***Revenue Recognition (continued)***

A significant portion of the School's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

***Donated Assets***

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

***Functional Allocation of Expenses***

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

***Income Taxes***

Under section 501(c)(6) of the Internal Revenue Code, the School is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 1: DESCRIPTION OF THE ORGANIZATION (Continued)**

The School utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2025, the School has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

***Advertising***

The School uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the year ended June 30, 2025, advertising costs totaled \$2,336.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2026, and determined there were no events that occurred that required disclosure.

***Recent Accounting Pronouncements***

In December 2025, the FASB issued ASU 2025-10, entitled Accounting for Government Grants Received by Business Entities. The guidance is effective for non-public entities for annual periods beginning after December 15, 2029. ASU 2025-10 provides guidance on the accounting for government grants received by business entities. Prior to ASU 2025-10, there was no authoritative guidance related to the recognition, measurement, and presentation for government grants received by business entities. The Company is currently evaluating the impact of the guidance on its financial statements.

In July 2025, the FASB issued ASU 2025-05, entitled Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 1: DESCRIPTION OF THE ORGANIZATION (Continued)**

***Recent Accounting Pronouncements (continued)***

The amendments in this Update provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, as follows:

1. Practical expedient. In developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset.
2. Accounting policy election. An entity other than a public business entity that elects the practical expedient is permitted to make an accounting policy election to consider collection activity after the balance sheet date when estimating expected credit losses.

**Note 2: LIQUIDITY AND AVAILABILITY OF RESOURCES**

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 date because of contractual or donor-imposed restrictions.

June 30,	2025
Total assets at year end	\$ 36,041,057
Less non-financial assets	
Restricted cash	(285,751)
Assets limited as to use, held by fiscal agent	(3,666,625)
Property and equipment, net	(23,825,894)
Right-of-use assets, net - finance leases	(205,677)
Total financial assets available to meet general expenditures within one year	\$ 8,057,110

**Note 3: INVESTMENTS**

The School's investments at June 30, 2025 consisted of Certificates of Deposit (CDs) and U.S. Treasury Notes. The CDs were completely secured by FDIC coverage. Investments held by fiscal agent, who does not have discretionary use of the funds, consisted of U.S. Treasury Strips and State and Local Government Series (SLGS) securities, which make up the School's irrevocable trust reserved for future bond payment.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 3: INVESTMENTS (Continued)**

The School's investments consist of the following:

<u>June 30, 2025</u>	<u>Fair Value</u>
Certificates of deposit	\$ 225,973
Assets limited as to use, held by fiscal agent	3,666,625
<b>Total investments in marketable securities</b>	<b>\$ 3,892,598</b>

**Note 4: GRANTS RECEIVABLE**

Grants receivable are as follows for the year ended June 30, 2025:

<u>June 30, 2025</u>	<u>Amount</u>
Title I	\$ 115,031
Title II	6,167
Idea B	44,546
Idea Preschools	2,044
Achieve	6,935
Carl Perkins	3,341
Capital Projects Fund	50,000
<b>Total grants receivable</b>	<b>\$ 228,064</b>

The School expects to collect substantially all outstanding balances and, therefore, does not include an estimate for allowance for credit losses.

**Note 5: SCHOOL ACTIVITY FUNDS**

School activity funds are monies collected through dues, fundraisers, admissions, or other money generating activity by an organizational unit within the School. It also includes donations from outside sources when such donation is made for a specific or restricted purpose. The School considers all school activity funds to be donor-restricted

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 6: PROPERTY AND EQUIPMENT**

The components of property and equipment consist of the following at June 30, 2025:

	Estimated Useful Lives (in years)	<b>2025</b>
Depreciable property and equipment:		
Buildings	20-40	\$ 20,965,358
Building improvements	10-25	756,202
Land improvements	30	3,733,475
Furniture and equipment	5-10	976,516
Vehicles	5-10	2,058,609
Software	3-7	78,438
Total depreciable property and equipment		<b>28,568,598</b>
Less accumulated depreciation and amortization		<b>(6,740,612)</b>
Total depreciable property and equipment, net		<b>21,827,986</b>
Land		<b>473,787</b>
Construction in progress		<b>1,524,121</b>
<b>Total property and equipment, net</b>		<b>\$ 23,825,894</b>

Depreciation and amortization expense totaled \$1,113,040 for the year ended June 30, 2025.

All assets acquired with Louisiana Department of Education (LDOE) funds are owned by the School while used for the purpose for which they were purchased. The LDOE, however, has a reversionary interest in these assets. In addition, the United States Department of Agriculture — Rural Development (USDA) has a reversionary interest in the School, which was built from USDA funding, until the debt is paid. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

**Note 7: RETIREMENT PLAN**

The majority of the School's employees participate in the Teachers' Retirement System of Louisiana (TRSL). TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 7: RETIREMENT PLAN (Continued)**

Pertinent information relative to the plan follows:

Plan Description: TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit, or five years of service credit if the employee reaches age sixty, are required to become vested for retirement benefits, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. TRSL issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Funding Policy: Plan members are required to contribute 8.0% of their annual covered salary. The School is required to contribute at an actuarially determined rate. The rate was 24.1% of annual eligible covered payroll for the year ended June 30, 2025. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contributions to the plan were \$1,382,240 for the year ended June 30, 2025, which is equal to the required contribution.

**Note 8: LONG-TERM DEBT**

Long-term debt consists of the following:

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
Bond payable to financial institution, quarterly interest payments of 1%, full principal amount due on maturity of December 15, 2029	<b>\$ 5,100,000</b>	<b>\$ 5,100,000</b>
USDA loans, monthly payments of \$63,180 including interest of 2.875% per annum, maturity of 2056	<b>15,492,133</b>	15,800,061
Less unamortized debt issuance costs	<b>(204,016)</b>	(217,197)
Long-term debt less unamortized debt issuance costs	<b>20,388,117</b>	20,682,864
Less current portion	<b>(316,898)</b>	(307,928)
Long-term debt, less current portion	<b>\$ 20,071,219</b>	<b>\$ 20,374,936</b>

Interest expense was \$524,000 year ended June, 30, 2025.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 8: LONG-TERM DEBT**

Certain note agreements contain various special provisions and covenants pertaining to, but not limited to, maintenance of a minimum fixed charge coverage ratio, permitted debt, permitted liens, restricted investments, disposition of assets, loans, restrictions on payment of certain debt, limited activity, and other various reporting obligations. Management believes the School was compliant with these requirements as of June 30, 2025.

Maturities of long-term debt subsequent to June 30, 2025 consists of the following:

*For the years ending June 30,*

2026	\$ 316,898
2027	326,130
2028	335,631
2029	345,408
2030	5,455,471
Thereafter	13,812,595
<b>Total</b>	<b>\$ 20,592,133</b>

During the 2010 fiscal year, the School issued a \$5.1 million Qualified School Construction Bond (QSCB) bearing interest at 1.0% for the purpose of constructing a school facility. Interest is payable quarterly with the full principal amount due at maturity on December 15, 2029. In addition, the School is making quarterly deposits into an irrevocable trust reserved for future payment of the bond (the sinking fund). These funds are shown as funds held by fiscal agent on the Statement of Financial Position and had a balance of \$3,666,625 at June 30, 2025. The approximate required balance in the sinking, fund, as prescribed by the QSCB bond indenture document, to be funded in contributions, net of interest, is as follows for the next five years:

Fiscal Year	Required Balance
2026	\$ 3,970,581
2027	\$ 4,283,283
2028	\$ 4,603,877
2029	\$ 4,932,561
2030	\$5,100,000

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 9: LEASES**

The School has finance leases for office space and equipment. The leases have remaining lease terms of 4 to 10 years. As of June 30, 2025, assets recorded under finance leases were \$205,677.

The components of lease expense consist of the following:

<i>For the year ended June 30,</i>	<b>2025</b>
Finance lease cost	
Amortization of right-of-use asset	\$ 152,747
Interest on lease liabilities	22,336
Total finance lease cost	<b>\$ 175,083</b>

Weighted average remaining lease term and discount rates consist of the following:

<i>For the year ended June 30,</i>	<b>2025</b>
Right-of-use assets obtained in exchange for lease obligations	
Finance leases	\$ -
Weighted average remaining lease term	
Finance leases	5.2
Weighted average discount rate	
Finance leases	6.50%

Future minimum lease payments under non-cancellable leases as of June 30, 2025, were as follows:

<i>For the years ending June 30,</i>	Finance Leases
2026	\$ 48,780
2027	48,780
2028	48,780
2029	38,055
2030	28,390
Thereafter	27,600
Total future minimum lease payments	\$240,385
Less imputed interest	(37,032)
Present value of lease liabilities	<b>\$203,353</b>

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 10: NET ASSETS**

A summary of net assets with donor restrictions consists of the following:

<i>June 30,</i>	<b>2025</b>
Purpose restricted	
School activity fund	<b>269,652</b>
<b>Total net assets with donor restrictions</b>	<b>\$ 269,652</b>

A summary of the release of donor restrictions consists of the following:

<i>For the year ended June 30,</i>	<b>2025</b>
Time restrictions	\$ -
Purpose restrictions:	
School activity fund	<b>(547,674)</b>
<b>Total net assets released from donor restrictions</b>	<b>\$ (547,674)</b>

**Note 11: FAIR VALUE MEASUREMENTS**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

**D'Arbonne Woods Charter School, Inc.**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2025**

**Note 11: FAIR VALUE MEASUREMENTS (Continued)**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

*Fixed income securities:* Fixed income securities classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities.

Assets and liabilities measured at fair value on a recurring basis consists of the following:

<u>June 30, 2025</u>	Level 1	Level 2	Level 3	Total
Fixed income	\$ 3,666,625	\$ -	\$ -	\$ 3,666,625
Total investments at fair value	\$ 3,666,625	\$ -	\$ -	\$ 3,666,625

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The School has a certificate of deposit that is recorded at cost in the amount of \$225,973.

**Note 12: EMPLOYEE RETENTION TAX CREDIT**

During 2025, the School received Employee Retention Tax credits in the amount of \$887,212 related to the COVID-19 pandemic.

**D'Arbonne Woods Charter School, Inc.**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**For the Year Ended June 30, 2025**

**Agency Head Name: Doug Postel, Executive Director**

<b>Purpose</b>	<b>Amount</b>
Salary	125,226.83
Benefits	-
Retirement	28,936.24
Insurance	8,150.44
Travel Conferences/Meetings	3,439.09
<b>Total</b>	<b>\$ 165,753</b>



# REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS





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**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  
D’Arbonne Woods Charter School, Inc.  
Shreveport, 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 D’Arbonne Woods Charter School, Inc. (a nonprofit organization), 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, and have issued our report thereon dated March 31, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered D’Arbonne Woods Charter School Inc.’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of D’Arbonne Woods Charter School Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the D’Arbonne Woods Charter School 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.

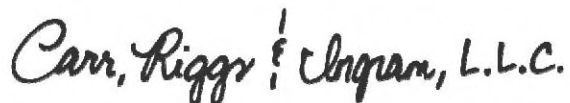
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.



**CARR, RIGGS & INGRAM, L.L.C.**

Shreveport, Louisiana  
March 31, 2026



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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
D’Arbonne Woods Charter School, Inc.  
Shreveport, Louisiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited D’Arbonne Woods Charter School 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 D’Arbonne Woods Charter School Inc.’s major federal programs for the year ended June 30, 2025. D’Arbonne Woods Charter School Inc.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, D’Arbonne Woods Charter School 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 D’Arbonne Woods Charter School 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 D’Arbonne Woods Charter School Inc.’s compliance with the compliance requirements referred to above.

### ***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 D'Arbonne Woods Charter School 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 D'Arbonne Woods Charter School 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 D'Arbonne Woods Charter School 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 D'Arbonne Woods Charter School 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 D'Arbonne Woods Charter School 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 D'Arbonne Woods Charter School Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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**

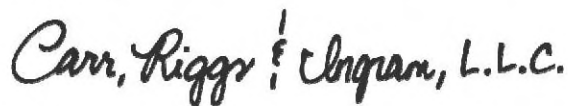
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.



**CARR, RIGGS & INGRAM, L.L.C.**

Shreveport, Louisiana  
March 31, 2026

**D'ARBONNE WOODS CHARTER SCHOOL**  
Farmerville, Louisiana

**Schedule of Expenditures of Federal Awards**  
For the Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grant Number	Federal Expenditures	Pass Through Expenditures to Subrecipients
<b>DIRECT PROGRAMS:</b>				
<b>U.S. DEPARTMENT OF AGRICULTURE (USDA)</b>				
Community Facilities Loans and Grants	10.780	N/A	\$ 15,492,133	\$ -
<b>Total Direct Programs</b>			<u>15,492,133</u>	<u>-</u>
<b>PASS THROUGH PROGRAMS:</b>				
<b>U. S. DEPARTMENT OF EDUCATION</b>				
Passed through Louisiana Department of Education				
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010	28-25-T1-M1	412,702	-
<b>SPECIAL EDUCATION CLUSTER:</b>				
Special Education-Individuals With Disabilities Education Act IDEA B				
Grants to States (IDEA Part B)	84.027	28-25-B1-M1	160,182	-
Preschool Grants	84.173	28-25-P1-M1	2,044	-
<b>Total Special Education Cluster</b>			<u>162,226</u>	<u>-</u>
Supporting Effective Instruction State Grants	84.367	28-25-02-M1	40,845	-
Career and Technical Education - Basic Grants to States	84.048	28-25-02-65	3,341	-
Student Support and Academic Enrichment Program	84.424	28-25-71-M1	25,000	-
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425D	28-21-ES2F-M1	61,518	-
<b>Total U.S. Dept. of Education Passed Through LA DOE</b>			<u>705,632</u>	<u>-</u>
<b>U.S. DEPARTMENT OF AGRICULTURE (USDA)</b>				
Passed through Louisiana Department of Education				
<b>CHILD NUTRITION CLUSTER:</b>				
National School Lunch Program	10.555	N/A	230,295	-
<b>Total Child Nutrition Cluster</b>			<u>230,295</u>	<u>-</u>
<b>Total U.S. Dept. of Agriculture Passed Through LA DOE</b>			<u>230,295</u>	<u>-</u>
<b>TOTAL PASS THROUGH PROGRAMS</b>			<u>935,927</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 16,428,060</u>	<u>\$ -</u>

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Basis of Presentation***

The accompanying schedule of expenditures of federal awards includes the federal spending of the School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

## **NOTE 2: INDIRECT COST RATE**

The School has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

## **NOTE 3: LOAN / LOAN GUARANTEE OUSTANDING BALANCES**

The United States Department of Agriculture has issued a compliance supplement regarding the program for Community Facilities Loans and Grants Program (ALN 10.780). The School did not have any loan proceeds expended during the year; however, the outstanding balance at June 30, 2025 was \$15,492,133

## **NOTE 4: SUB-RECIPIENTS**

During the year ended June 30, 2025 the School had no sub-recipients.

## **NOTE 5: NONCASH ASSISTANCE AND OTHER**

The School did not receive any noncash assistance or federal funded insurance during the year ended June 30, 2025.

## **NOTE 6: CONTINGENCIES**

Grant monies received and disbursed by the School are for specific purposes and subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the School does not believe that such disallowance, if any, would have a material effect on the financial position of the School.

## **NOTE 7: FEDERAL PASS-THROUGH FUNDS**

The School is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through funds are considered to be direct.

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

**Section I - Summary of Auditor's Results**

**Financial Statements**

The auditor's report expresses an unmodified opinion on the financial statements in accordance with GAAP.

**Internal control over financial reporting:**

- Material weaknesses identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to the financial statements noted?  yes  no

**Federal Awards**

Type of auditor's report issued on compliance for major programs:

Unmodified

**Internal control of major programs:**

- Material weaknesses identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200.516(a))?  yes  none reported

The programs tested as major programs included:

**Assistance Listing Number**

**Program Name**

10.780

Community Facilities Loans and Grants

Dollar threshold used to distinguish between Type A and B programs: \$750,000

- Auditee qualified as a low-risk auditee?  yes  no

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

**Section II – Financial Statement Findings Reported in Accordance with *Government Auditing Standards***

**None**

**Section III – Federal Award Findings and Responses**

**None**

**D'ARBONNE WOODS CHARTER SCHOOL, INC.**  
**Summary Schedule of Prior Year Audit Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

**Section II – Financial Statement Findings Reported in Accordance with *Government Auditing Standards***

**None**

**Section III – Federal Award Findings and Responses**

**None**



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Independent Accountant's Report  
On Applying Agreed-Upon Procedures

Board Members  
D'Arbonne Woods Charter School  
Farmerville, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of D'Arbonne Woods Charter School and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Management of the School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

**Comment:** No exceptions were identified as a result of applying the agreed-upon procedure.

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, 2024 roll books for those classes and observed that the class was properly classified on the schedule.

**Comment:** No exceptions were identified as a result of applying the agreed-upon procedure.

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

3. We obtained October 1, 2024 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.

**Comment:** No exceptions were identified as a result of applying agreed-upon procedures.

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30, 2024 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)

**Comment:** No exceptions were identified as a result of applying agreed-upon procedures.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the City of Monroe School Board, 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.

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, L.L.C.**

Shreveport, Louisiana

March 31, 2026

**D'ARBONNE WOODS CHARTER SCHOOL**  
Farmerville, Louisiana

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2025**

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures:**

**Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$	4,324,751	
Other Instructional Staff Activities		394,192	
Instructional Staff Employee Benefits		1,751,341	
Purchased Professional and Technical Services		220,908	
Instructional Materials and Supplies		337,488	
Instructional Equipment		-	
Total Teacher and Student Interaction Activities		-	\$ 7,028,680

**Other Instructional Activities**

**Pupil Support Activities**

Less: Equipment for Pupil Support Activities		315,877	
Net Pupil Support Activities		-	315,877

**Instructional Staff Services**

Less: Equipment for Instructional Staff Services		421,428	
Net Instructional Staff Services		-	421,428

**School Administration**

Less: Equipment for School Administration		269,081	
Net School Administration		-	269,081

Total General Fund Instructional Expenditures		\$ 9,130,161	
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<b>Total General Fund Equipment Expenditures</b>		<b>\$ 193,215</b>	
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**Certain Local Revenue Sources**

**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)			-



