

ALGIERS CHARTER SCHOOL ASSOCIATION

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Algiers Charter School Association (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Algiers Charter School Association as of June 30, 2025 and 2024, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Algiers Charter School Association 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 Algiers Charter School Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Algiers Charter School Association'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 Algiers Charter School Association'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.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the schedule of compensation, benefits, and other payments to agency head (Schedule “1”), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is also not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025 on our consideration of Algiers Charter School Association’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 Algiers Charter School Association’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 Algiers Charter School Association’s internal control over financial reporting and compliance.

December 23, 2025
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u> (As Restated)
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 3,057,875	\$ 1,795,324
Investments	5,432,612	10,797,092
Grants receivable	1,371,681	2,819,459
Prepaid expenses	<u>327,464</u>	<u>152,438</u>
 Total current assets	 <u>10,189,632</u>	 <u>15,564,313</u>
 <u>PROPERTY AND EQUIPMENT, NET</u>	 <u>321,566</u>	 <u>343,853</u>
<u>OTHER ASSETS:</u>		
Right of use assets - operating leases, net	2,621,378	3,860,267
Deposits	<u>32,875</u>	<u>32,875</u>
 Total other assets	 <u>2,654,253</u>	 <u>3,893,142</u>
 Total assets	 <u>\$ 13,165,451</u>	 <u>\$ 19,801,308</u>
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 1,881,379	\$ 1,296,794
Accrued expenses	490,372	349,865
Deferred revenue	251,126	247,721
Current portion of operating leases	1,286,155	1,238,889
Student activity funds	<u>-</u>	<u>123,342</u>
 Total current liabilities	 <u>3,909,032</u>	 <u>3,256,611</u>
<u>NON-CURRENT LIABILITIES:</u>		
Operating leases, net of current portion	<u>1,335,223</u>	<u>2,621,378</u>
 Total non-current liabilities	 <u>1,335,223</u>	 <u>2,621,378</u>
 Total liabilities	 <u>5,244,255</u>	 <u>5,877,989</u>
<u>NET ASSETS:</u>		
Without donor restrictions	7,921,196	13,923,319
With donor restrictions	<u>-</u>	<u>-</u>
 Total net assets	 <u>7,921,196</u>	 <u>13,923,319</u>
 Total liabilities and net assets	 <u>\$ 13,165,451</u>	 <u>\$ 19,801,308</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
Minimum Foundation Program funding	\$ 17,688,956	\$ -	\$ 17,688,956
Federal grants	5,466,960	-	5,466,960
Other state/local funds	2,235,707	-	2,235,707
Grants and contributions	2,035,161	-	2,035,161
In-kind contributions	795,946	-	795,946
Investment income	436,372	-	436,372
Other income	741,222	-	741,222
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenue	 <u>29,400,324</u>	 <u>-</u>	 <u>29,400,324</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	15,448,491	-	15,448,491
General non-instructional	12,987,094	-	12,987,094
Special education	3,195,888	-	3,195,888
Special programs	961,858	-	961,858
Administration	<u>2,809,116</u>	<u>-</u>	<u>2,809,116</u>
 Total expenses	 <u>35,402,447</u>	 <u>-</u>	 <u>35,402,447</u>
 Change in net assets	 (6,002,123)	 -	 (6,002,123)
 Net assets, beginning of year	 <u>13,923,319</u>	 <u>-</u>	 <u>13,923,319</u>
 Net assets, end of year	 <u>\$ 7,921,196</u>	 <u>\$ -</u>	 <u>\$ 7,921,196</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024 (AS RESTATED)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
Minimum Foundation Program funding	\$ 17,788,444	\$ -	\$ 17,788,444
Federal grants	8,284,245	-	8,284,245
Other state/local funds	937,259	-	937,259
Grants and contributions	45,307	-	45,307
In-kind contributions	734,553	-	734,553
Investment income	598,666	-	598,666
Other income	549,945	-	549,945
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenue	 <u>28,938,419</u>	 <u>-</u>	 <u>28,938,419</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	11,891,136	-	11,891,136
General non-instructional	10,780,153	-	10,780,153
Special education	3,434,371	-	3,434,371
Special programs	771,997	-	771,997
Administration	<u>2,373,799</u>	<u>-</u>	<u>2,373,799</u>
 Total expenses	 <u>29,251,456</u>	 <u>-</u>	 <u>29,251,456</u>
 Change in net assets	 (313,037)	 -	 (313,037)
 Net assets, beginning of year	 <u>14,236,356</u>	 <u>-</u>	 <u>14,236,356</u>
 Net assets, end of year	 <u>\$ 13,923,319</u>	 <u>\$ -</u>	 <u>\$ 13,923,319</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services					Total
	General Instructional	General Non-Instructional	Special Education	Special Programs	Administration	
Salaries	\$ 9,369,265	\$ 4,171,463	\$ 2,052,144	\$ 664,072	\$ 882,704	\$ 17,139,648
Employee benefits	958,450	586,478	226,514	77,136	166,596	2,015,174
Retirement	1,673,269	1,014,257	400,121	130,285	180,653	3,398,585
Payroll taxes	167,836	135,979	53,018	16,517	14,227	387,577
Purchased educational services	335,348	-	2,373	-	-	337,721
Other purchased professional services	626,725	135,368	301,579	14,547	631,375	1,709,594
Purchased technical services	-	522,359	-	-	-	522,359
Utilities	-	617,927	-	-	-	617,927
Repairs and maintenance	1,151	1,751,437	32,326	-	-	1,784,914
Rentals	42,690	1,538,981	-	-	15,973	1,597,644
Student transportation	-	519,107	64,952	-	-	584,059
Insurance	-	97,144	18,843	-	582,970	698,957
Communications	-	186,315	8,941	35,953	61,708	292,917
Advertising, printing, and binding	-	39,449	-	-	942	40,391
Tuition	250,223	-	-	-	-	250,223
Food service	-	1,004,599	-	-	-	1,004,599
Travel	76,786	38,981	984	20,705	44,368	181,824
Materials and supplies	1,926,701	222,546	34,015	2,643	65,094	2,250,999
Dues and fees	-	325,156	-	-	141,595	466,751
Miscellaneous	20,047	22,260	78	-	20,911	63,296
Depreciation	-	57,288	-	-	-	57,288
Total functional expenses	\$ 15,448,491	\$ 12,987,094	\$ 3,195,888	\$ 961,858	\$ 2,809,116	\$ 35,402,447

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024 (AS RESTATED)

	Program Services					Administration	Total
	General Instructional	General Non-Instructional	Special Education	Special Programs			
Salaries	\$ 7,188,945	\$ 2,907,564	\$ 2,296,705	\$ 568,698	\$ 913,769	\$ 13,875,681	
Employee benefits	486,996	205,919	166,742	44,497	71,158	975,312	
Retirement	1,685,224	574,923	504,498	137,054	220,041	3,121,740	
Payroll taxes	140,184	93,356	55,458	9,793	27,326	326,117	
Purchased educational services	332,327	-	-	-	-	332,327	
Other purchased professional services	440,530	80,150	215,761	-	392,318	1,128,759	
Purchased technical services	-	515,424	-	-	3,792	519,216	
Utilities	-	584,373	-	-	-	584,373	
Repairs and maintenance	23,067	1,316,718	8,095	-	-	1,347,880	
Rentals	13,773	1,796,451	-	-	30,206	1,840,430	
Student transportation	(2,122)	468,622	71,386	-	-	537,886	
Insurance	-	591,172	51,544	-	505,231	1,147,947	
Communications	260,708	84,043	26,990	-	59,405	431,146	
Advertising, printing, and binding	10,187	75,041	-	-	1,051	86,279	
Tuition	121,801	-	-	-	-	121,801	
Food service	-	958,840	-	-	-	958,840	
Travel	84,017	14,143	8,722	-	45,008	151,890	
Materials and supplies	1,091,644	145,275	28,076	11,955	86,097	1,363,047	
Dues and fees	10,059	343,408	394	-	22,157	376,018	
Miscellaneous	3,191	(18,502)	-	-	(3,760)	(19,071)	
Depreciation	605	43,233	-	-	-	43,838	
Total functional expenses	\$ 11,891,136	\$ 10,780,153	\$ 3,434,371	\$ 771,997	\$ 2,373,799	\$ 29,251,456	

See accompanying NOTES TO FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (6,002,123)	\$ (313,037)
Adjustments to reconcile change in net assets to cash and cash equivalents from operating activities:		
Depreciation expense	57,288	43,838
(Increase) decrease in:		
Grant receivables	1,447,778	988,550
Prepaid expenses	(175,026)	41,589
Deposits	-	24,726
Increase (decrease) in:		
Accounts payable	584,585	(36,382)
Accrued expenses	140,507	(115,653)
Deferred revenues	3,405	75,834
Student activity funds	(123,342)	22,881
	<u>(4,066,928)</u>	<u>732,346</u>
Net cash (used for) from operating activities		
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	(35,001)	(68,081)
Purchase of investments	(435,520)	(4,097,607)
Sale of investments	<u>5,800,000</u>	<u>2,000,000</u>
	<u>5,329,479</u>	<u>(2,165,688)</u>
Net cash from (used for) investing activities		
Net increase (decrease) in cash and cash equivalents	1,262,551	(1,433,342)
Cash and cash equivalents, beginning of year	<u>1,795,324</u>	<u>3,228,666</u>
Cash and cash equivalents, end of year	<u>\$ 3,057,875</u>	<u>\$ 1,795,324</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

Nature of Activities

Algiers Charter School Association (ACSA) was created and incorporated as a non-profit corporation under the laws of the State of Louisiana (the State) in the Fall of 2005. ACSA serves eligible elementary through high school students. On July 1, 2014, The Board of Elementary and Secondary Education (BESE) approved the charter of ACSA to operate Dr. Lord Beaconsfield Landry High School (L.B. Landry) as a Type 5 charter school. On July 1, 2015, BESE approved the Charter of ACSA to operate Martin Berhman Academy of Creative Arts and Sciences (Berhman) as a Type 3B charter school. The charters for both L.B. Landry and Behrman have been extended to June 30, 2027. In addition, the Office of Performance and Accountability (OPA) provides support to each of the schools in the areas of development, operations, finance, academics, recruitment, and planning. All ACSA schools and the OPA are governed by the ACSA Board of Directors.

Basis of Accounting and Financial Reporting Framework

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

Basis of Presentation

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

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

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

Use of Estimates

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

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

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

Cash and Cash Equivalents

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

Receivables

Grants, notes, and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for credit losses and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2025 and 2024, no allowance is recorded as management considers all receivables to be fully collectible.

Investments

ACSA invests in LAMP, which is administered by LAMP, Inc., a non-profit corporation incorporated in the State of Louisiana. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investment in LAMP is valued at fair value, which is determined weekly by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

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

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

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

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

No Level 1 or Level 3 inputs were used by ACSA during June 30, 2025 and 2024.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

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

Property and Equipment

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

Buildings and improvements	27 years
Furniture and equipment	5-12 years

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

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. ACSA reports contributions of cash or other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statements of activities.

Revenues from federal and state grants are recorded when ACSA has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by ACSA, or when earned under the terms of the grants, otherwise they are recorded as deferred revenue until earned.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In addition, ACSA receives services donated by parents and community members in carrying out ACSA's mission.

The value of these services is not recognized in the accompanying financial statements as they do not meet the criteria for recognition under GAAP.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

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

Leases

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

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

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

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

Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Functional Expenses

The cost of program and supporting services has been summarized on a functional basis in the statements of activities. This requires the allocation of certain costs based on total program costs and estimates made by management. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and employee benefits have been allocated based on time and effort. Rent and depreciation have been allocated based on square footage. All other allocated expenses have been allocated based on actual expenses incurred.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

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

Income Tax Status

ACSA has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to income tax unless it has unrelated trade or business income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2025 and 2024, ACSA believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2021 and later remain subject to examination by the taxing authorities.

Date of Management Review

Subsequent events have been evaluated through December 23, 2025, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects ACSA's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. However, amounts already appropriated for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	2025	2024
Financial assets available to meet cash needs for general expenditures within one year	\$ 9,862,168	\$ 15,411,875

ACSA's objective is to maintain liquid financials assets without donor restrictions sufficient to cover 60 days of program expenditures. ACSA regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources ACSA has available. In addition, ACSA operates with a budget to monitor sources and uses of funds throughout the year.

(3) SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

Non-cash Investing Activities

During the year ended June 30, 2024, ACSA disposed of fixed assets having a cost basis of \$132,598 and accumulated depreciation of \$132,598. No proceeds were received as result of the disposals.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(4) GRANTS RECEIVABLE

Grants receivables consist of the following at June 30th:

	2025	2024
Due from federal government	\$ 1,371,681	\$ 2,800,603
Due from State of Louisiana	-	18,856
	\$ 1,371,681	\$ 2,819,459

(5) INVESTMENTS

The fair value of Level 2 instruments is as follows at June 30th:

	2025	2024
LAMP	\$ 5,432,612	\$ 10,797,092
Total investments	\$ 5,432,612	\$ 10,797,092

Investment income consists of the following for the years ended June 30th:

	2025	2024
Dividends and interest	\$ 436,372	\$ 598,666

(6) PROPERTY AND EQUIPMENT AND DEPRECIATION

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

	2025	2024
Building and improvements	\$ 481,416	\$ 525,529
Machinery and equipment	167,800	87,234
	649,216	612,763
Less accumulated depreciation	(327,650)	(268,910)
Total property and equipment, net	\$ 321,566	\$ 343,853

Depreciation expense for the years ended June 30, 2025 and 2024 was \$57,288 and \$43,838, respectively.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) RETIREMENT PLAN

ACSA offers eligible employees the opportunity to participate in the Teachers' Retirement System of Louisiana (TRSL), a state retirement plan. The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123. Pertinent information relative to the plan follows:

Plan Description

All eligible full-time employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State Statute. TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service.

Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their three highest consecutive years of compensation and the number of years that the employee was contributing to TRS.

The percentage formula is applied to the average of the highest three consecutive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

Funding Policy

Plan members are required to contribute 8% of their annual covered salary. ACSA is required to contribute at an actuarially determined rate. The rate during fiscal year 2025 and 2024 was 21.5% and 25.2% of annual eligible contributions for the TRSL and is established by state law, and rates are established by the Public Retirement System's Actuarial Committee. ACSA's contributions for the years ended June 30, 2025 and 2024 were \$3,398,585 and \$3,121,740, respectively.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(8) LEASE COMMITMENTS

Operating Leases with OPSB

As of July 1, 2021, the School entered into an agreement with the Orleans Parish School Board (OPSB) which allows the School to use the facilities and its contents located at 1200 L.B. Landry Ave., New Orleans, Louisiana. The lease is designated for L.B. Landry and was extended three years, and is scheduled to expire on June 30, 2027

As of July 1, 2021, the School entered into an agreement with the OPSB which allows the School to use the facilities and its contents located at 2832 General Myer Ave, New Orleans, Louisiana. The lease is designated for Berhman and is scheduled to expire on June 30, 2027.

All of the aforementioned leases call for payments based on the Use Fee and participation in OPSB's Per Pupil Unit Cost Program. The Use Fee is calculated annually and withheld from MFP funds by OPSB. The calculation is based on each charter schools per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Per Pupil Unit Cost Program, and includes any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship. Use of the properties in the aforementioned leases is not recorded as an in-kind contribution from, or related rent expense to, the OPSB as the value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

Operating Leases with Other Third Parties

ACSA entered into a noncancellable operating lease for the Rose Mary Loving School facility with Loving School Facility, L.L.C. The lease commenced on January 1, 2023. The lease provides ACSA with the right to use the facility solely for the operation of the charter school and currently extends through June 30, 2027, which coincides with the end of the ACSA's current charter contract, unless earlier terminated upon revocation or non-renewal of the charter. Under the terms of the lease, ACSA is obligated to pay fixed annual base rent of approximately \$1,362,500, payable in equal monthly installments, in addition to certain operating and other costs under a triple-net structure. A portion of the required lease payments is funded directly by NOLA Public Schools (NOLA-PS) through private facility and subsidy payments made on behalf of ACSA to the lessor, with the remainder funded through an additional Minimum Foundation Program (MFP) allocation. For financial reporting purposes, amounts paid directly by NOLA-PS on behalf of ACSA are recorded as an in-kind contribution and lease expense in the accompanying statement of activities. For the years ended June 30, 2025 and 2024, NOLA-PS paid approximately \$795,946 and \$734,553, respectively, of the total lease cost directly to the lessor on ACSA's behalf, and ACSA paid the remaining \$566,554 and \$627,947, respectively, from its additional MFP allocation.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(8) LEASE COMMITMENTS (CONTINUED)

Operating Leases with Other Third Parties (Continued)

ACSA entered into a lease agreement with Julien Engineering & Consulting to use office space at 2916 General DeGaulle Drive, Suite 103, New Orleans. Under the terms of the agreement starting on July 1, 2023, the lease is for \$2,000 a month for 3 years expiring on June 30, 2026. The lease has options to extend until June 30, 2028. Rent expense was \$24,000 for the year ended June 30, 2025.

On July 1, 2022, ACSA entered into a four-year agreement with Xerox for copiers ranging from \$183 to \$248. Rent expense was \$78,153 and \$65,509 and for the years ended June 30, 2025 and 2024, respectively.

On July 1, 2021, ACSA entered into an operating lease agreement with Ross Bus for 21, 71-passenger buses, structured on a yearly renewal basis. Under the new terms of the agreement in 2024, the lease is for \$16,900 per bus per year for a total cost of \$354,900 expiring June 30, 2024. As of July 1, 2025, the lease was renewed for an additional year expiring on June 30, 2026. Rent expense was \$366,771 and \$329,091 for the years ended June 30, 2025 and 2024, respectively.

Additional information about ACSA's leases is as follows for the years ended June 30th:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 1,362,500	\$ 1,362,500
Short-term lease cost	<u>601,915</u>	<u>854,880</u>
Total lease cost	<u>\$ 1,964,415</u>	<u>\$ 2,217,380</u>
Cash paid for amounts in lease liabilities	\$ 566,554	\$ 627,947
Operating cash flows from operating leases	1,168,469	1,482,827
Right-of-use assets obtained in exchange for new operating lease liabilities	-	-
Weighted-average remaining lease term-operating leases (in years)	2	3
Weight average discount rate-operating leases	3.75%	3.75%

The maturities of lease liabilities as of June 30, 2025 are as follows:

2026	\$ 1,362,500
2027	<u>1,362,500</u>
Total payments	2,725,000
Less: imputed interest	<u>(103,622)</u>
	<u>\$ 2,621,378</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(9) CONCENTRATIONS OF CREDIT RISK

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

(10) GRANT PROGRAM CONTINGENCIES

ACSA participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that ACSA has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2025 and 2024 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and ACSA.

(11) ECONOMIC DEPENDENCY

ACSA receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP) funding for the years ended June 30, 2025 and 2024 totaled \$17,688,956 and \$17,788,444, respectively. Funding was from various federal grants passed through the State of Louisiana for the years ended June 30, 2025 and 2024 totaled \$5,466,960 and \$8,284,245, respectively. Other state funds for the years ended June 30, 2025 and 2024 totaled \$2,235,707 and \$937,259, respectively. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds ACSA receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the School will receive in fiscal year 2026 relating to its grant awards.

In October 2024, NOLA-PS notified ACSA and all charter school operators it authorizes that local tax revenue estimates provided in March 2024 for the 2024-2025 school year had been overstated. Revised projections indicated a system-wide funding shortfall of up to approximately \$50 million compared to those earlier estimates. To mitigate the impact of this shortfall, during the year ended June 30, 2025 the Orleans Parish School Board approved a non-recurring \$35 million allocation to schools, outside of the annual MFP funding allocation. As a result of these actions, ACSA received additional funding from NOLA-PS during the year ended June 30, 2025, which is included in other state/local funding in the accompanying statement of activities.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(12) EMPLOYEE RETENTION CREDIT

Under provisions of the CARES Act signed into law on March 27, 2020 and the subsequent extension of the CARES Act, ACSA was eligible for a refundable employee retention credit subject to certain criteria. ACSA recognized income of \$1,822,080, which includes \$312,293 of accumulated interest, related to refund of employee retention credit for the 2nd, 3rd, and 4th quarters of 2020 and the 1st, 2nd, and 3rd quarters of 2021 during the year ended June 30, 2025, which is included in grants and contributions on the statement of activities.

(13) IN-KIND CONTRIBUTIONS

ACSA received in-kind contributions as follows for the years ended June 30th:

	2025	2024
Lease expense	\$ <u>795,946</u>	\$ <u>734,553</u>

Relating to the lease of the Rose Mary Loving School facility, NOLA-PS funds a portion of the lease. ACSA recognized the portion funded by NOLA-PS as an in-kind contribution and in-kind rental expense. See Note 9 for more information.

All contributed nonfinancial assets received by ACSA for the years ended June 30, 2025 and 2024 were considered without donor restrictions.

(14) PRIOR PERIOD RESTATEMENTS

During the year ended June 30, 2025, the ASCA identified errors in the financial statements for the year ended June 30, 2024. Specifically, ACSA did not recognize a lease liability and corresponding right of use asset in accordance with ASC 842, *Leases*, for a long-term property lease. As a result, total assets and liabilities were understated in the previously issued financial statements.

Relating to the same lease, ACSA did not recognize an in-kind contribution and corresponding expense in accordance with ASC 958-605, *Revenue Recognition for Not-for-Profit Entities*, for a donated portion of the lease payments. As a result, revenue and program expenses were understated in the previously issued financial statements.

The effect of corrections resulted in an increase of \$3,860,267 to total assets and liabilities, and \$734,553 to total revenue and program expenses in the June 30, 2024 financial statements. The restatements had no effect on net assets.

(15) RECLASSIFICATIONS

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

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Tamara Griffin-Major</u>
Time served	07/01/24 through 06/30/25
Salary	\$ 167,300
Benefits - insurance	10,788
Benefits - retirement	42,278
Stipend	<u>29,250</u>
Total compensation, benefits, and other payments	<u>\$ 249,616</u>



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

To the Board of Directors of
Algiers Charter School Association
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 Algiers Charter School Association (a non-profit corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Algiers Charter School Association'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 Algiers Charter School Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Algiers Charter School Association'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.



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Algiers Charter School Association'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 Algiers Charter School Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Algiers Charter School Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 23, 2025
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants



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

To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Algiers Charter School Association'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 Algiers Charter School Association's major federal programs for the year ended June 30, 2025. Algiers Charter School Association's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Algiers Charter School Association 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 Algiers Charter School Association 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 Algiers Charter School Association'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 Algiers Charter School Association's federal programs.



To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

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 Algiers Charter School Association’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 Algiers Charter School Association’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 Algiers Charter School Association’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 Algiers Charter School Association’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 Algiers Charter School Association’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.



To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Report on Internal Control over Compliance

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

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

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

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

December 23, 2025
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	\$ 1,538,961
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	\$ 480,815
Special Education - Preschool Grants	84.173	<u>16,964</u>
Total Special Education Cluster		497,779
Career and Technical Education - Basic Grants to States	84.048	20,000
Supporting Effective Instruction State Grants	84.367	91,705
Comprehensive Literacy Development	84.371	322,773
Student Support and Academic Enrichment Program	84.424F	47,390
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	29,479
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	<u>1,733,934</u>
Total Education Stabilization Fund		<u>1,763,413</u>
 Total U.S. Department of Education		 <u>4,282,021</u>
<u>U.S. Department of Agriculture</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Child Nutrition Cluster		
School Breakfast Program	10.553	297,335
National School Lunch Program	10.555	769,267
Summer Food Service Program for Children	10.559	<u>4,127</u>
Total Child Nutrition Cluster		1,070,729
Child and Adult Care Food Program	10.558	<u>57,538</u>
 Total U.S. Department of Agriculture		 <u>1,128,267</u>
 Total expenditures of federal awards		 <u>\$ 5,410,288</u>

(See Independent Auditors' Report)

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Algiers Charter School Association under programs of the federal government for the year ended June 30, 2025. The information in the schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Algiers Charter School Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Algiers Charter School Association.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Recognition

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

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2025.

(3) INDIRECT COST RATE

Algiers Charter School Association has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Algiers Charter School Association.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for Algiers Charter School Association expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as major program was the Child Nutrition Cluster (AL Nos. 10.553, 10.555, and 10.559) and Title I (AL no. 84.010).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Algiers Charter School Association was determined to be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2025.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

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

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

There were no findings related to major federal awards programs for the year ended June 30, 2025.

ALGIERS CHARTER SCHOOL ASSOCIATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

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

II. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FEDERAL AWARDS

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

III. MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2024.



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Algiers Charter School Association 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 Algiers Charter School Association is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

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



To the Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

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

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

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

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

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

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

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



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

We are required to be independent of Algiers Charter School Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

December 23, 2025
New Orleans, Louisiana

Ericksen Krentel, LLP

Certified Public Accountants

ALGIERS CHARTER SCHOOL ASSOCIATION
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2025

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	Column A	Column B
General Fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 6,933,566	
Other instructional staff salaries	1,147,235	
Instructional staff employee benefits	2,714,704	
Purchased professional and technical services	406,711	
Instructional materials and supplies	1,097,769	
Instructional equipment	-	
Total teacher and students interaction activities		\$ 12,299,985
Other instructional activities		552,412
Pupil support services	2,150,758	
Less: equipment for pupil support services	-	
Net pupil support services		2,150,758
Instructional staff services	1,157,699	
Less: equipment for instructional staff services	-	
Net instructional staff services		1,157,699
School administration	2,189,165	
Less: equipment for school administration	-	
Net school administration		2,189,165
Total General Fund instructional expenditures (total of column B)		<u><u>\$ 18,350,019</u></u>
Total General Fund equipment expenditures		<u><u>\$ -</u></u>
<u>CERTAIN LOCAL REVENUE SOURCES</u>		
Total local taxation revenue		<u><u>\$ -</u></u>
Total local earnings on investment in real property		<u><u>\$ -</u></u>
Total state revenue in lieu of taxes		<u><u>\$ -</u></u>
Nonpublic textbook revenue		<u><u>\$ -</u></u>
Nonpublic transportation revenue		<u><u>\$ -</u></u>

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

ALGIERS CHARTER SCHOOL ASSOCIATION
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2025
AS OF OCTOBER 1, 2024

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	37.89%	252	5.11%	34	1.20%	8	0.00%	-
Elementary/Activity Classes	6.92%	46	3.31%	22	0.15%	1	0.00%	-
Middle/Jr. High	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Middle/Jr. High Activity Classes	0.00%	-	0.00%	-	0.00%	-	0.00%	-
High	23.16%	154	4.81%	32	7.97%	53	4.51%	30
High Activity Classes	3.61%	24	0.30%	2	0.90%	6	0.15%	1
Combination	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Combination Activity Classes	0.00%	-	0.00%	-	0.00%	-	0.00%	-

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.