

South Louisiana Charter Foundation, Inc.

Combined Financial Statements  
For the Year Ended June 30, 2025

## South Louisiana Charter Foundation, Inc.

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**South Louisiana Charter Foundation, Inc.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
South Louisiana Charter Foundation, Inc.  
Baton Rouge, Louisiana

### Report on the Audit of the Financial Statements

#### Opinion

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

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

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 South Louisiana Charter Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Louisiana Charter Foundation, Inc.'s ability to continue as a going concern within one year after the date that the combined 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 combined 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS 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 combined 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 combined 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 South Louisiana Charter Foundation, 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Louisiana Charter Foundation, 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 combined financial statements as a whole. The combining statements on pages 15 through 19 and the Schedule of Board of Directors and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer on pages 20 and 21 are presented for purposes of additional analysis and are not a required part of the combined 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 combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

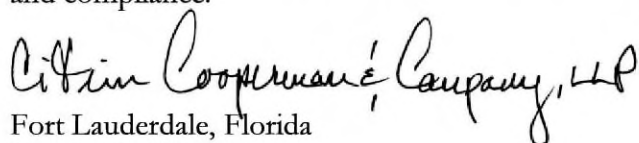
## Other Information

The Performance and Statistical Data and the Louisiana Legislative Auditor Statewide Agreed-Upon Procedures (“other information”) on pages 34 through 48, which is the responsibility of management, are presented for purpose of additional analysis and are not a required part of the combined financial statements, but are other information required by Louisiana State Law. The other information has not been subjected to the auditing procedures applied in the audit of the combined financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026, on our consideration of South Louisiana Charter Foundation, 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 South Louisiana Charter Foundation, 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 South Louisiana Charter Foundation, Inc.’s internal control over financial reporting and compliance.



Fort Lauderdale, Florida  
March 20, 2026

# FINANCIAL STATEMENTS

**South Louisiana Charter Foundation, Inc.**  
**Combined Statement of Financial Position**  
**June 30, 2025**

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**Current Assets:**

Cash and cash equivalents	\$ 3,222,954
Custodial funds - restricted cash	28,256
Grants receivable	1,074,652
Other receivables	104,501
Prepaid items	<u>60,024</u>
Total current assets	<u>4,490,387</u>

**Property, Equipment and Right-to-Use Assets, Less**

<b>Accumulated Depreciation and Amortization of \$ 13,518,013</b>	<u>13,954,888</u>
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**Other Assets:**

Deposits	<u>28,295</u>
Total assets	<u>\$ 18,473,570</u>

**Current Liabilities:**

Accounts payable	\$ 277,664
Accrued payroll and related expenses	834,172
Due to management company	618,000
Custodial funds	28,256
Accrued interest payable	207,179
Compensated absences	55,868
Note payable	580,000
Finance lease payables	<u>1,320,775</u>
Total current liabilities	<u>3,921,914</u>

**Noncurrent Liabilities:**

Compensated absences	18,622
Finance lease payables	<u>17,857,968</u>
Total noncurrent liabilities	<u>17,876,590</u>

Total liabilities	<u>21,798,504</u>
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**Net Assets (Deficit) - Without Donor Restrictions**

(3,324,934)

Total liabilities and net assets (deficit)	<u>\$ 18,473,570</u>
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The accompanying notes to combined financial statements are an integral part of these statements.

**South Louisiana Charter Foundation, Inc.**  
**Combined Statement of Activities**  
**For the Year Ended June 30, 2025**

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**Net Assets (Deficit) Without Donor Restrictions:**

**Support and Revenues:**

Minimum Foundation Program	\$ 21,234,327
State and local grants	759,659
Federal grants	2,367,862
Before and aftercare fees	40,613
Interest income	78,815
Other income	61,194

Total support and revenues	<u>24,542,470</u>
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**Expenses:**

Program services:	
Regular education	14,376,600
Special education	1,404,615
Other education	1,323,544
Supporting services:	
Management and general	<u>6,092,500</u>

Total expenses	<u>23,197,259</u>
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Change in net assets (deficit) without donor restrictions	1,345,211
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<b>Net Assets (Deficit) Without Donor Restrictions, Beginning of Year</b>	<u>(4,670,145)</u>
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<b>Net Assets (Deficit) Without Donor Restrictions, End of Year</b>	<u><u>\$ (3,324,934)</u></u>
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The accompanying notes to combined financial statements are an integral part of these statements.

**South Louisiana Charter Foundation, Inc.**  
**Combined Statement of Functional Expenses**  
**For the Year Ended June 30, 2025**

	Program Services			Total Program	Supporting Services	Total
	Regular Education	Special Education	Other Education		Management and General	
Salaries	\$ 5,474,316	\$ 575,123	\$ 228,041	\$ 6,277,480	\$ 1,009,073	\$ 7,286,553
Contracted and vendor services	5,220,219	375,330	107,852	5,703,401	1,237,820	6,941,221
Interest	-	-	-	-	1,788,037	1,788,037
Depreciation and amortization	826,951	75,688	77,629	980,268	369,996	1,350,264
Benefits	1,003,018	105,049	42,022	1,150,089	186,756	1,336,845
Food Service	824,284	77,302	-	901,586	9,107	910,693
Repairs and maintenance	-	-	-	-	836,557	836,557
Supplies and materials	499,775	2,752	145,023	647,550	133,035	780,585
Utilities	124,024	124,024	124,024	372,072	124,024	496,096
Insurance	66,652	66,652	66,652	199,956	66,652	266,608
Professional development	-	-	255,529	255,529	-	255,529
Property tax	252,828	-	-	252,828	-	252,828
School Board fees	-	-	-	-	240,782	240,782
Marketing and recruitment	-	-	212,302	212,302	-	212,302
Other	21,609	2,695	-	24,304	47,643	71,947
Travel	-	-	64,470	64,470	-	64,470
Rent	56,305	-	-	56,305	-	56,305
Office expense	2,422	-	-	2,422	27,498	29,920
Professional services	-	-	-	-	15,486	15,486
Technology	4,197	-	-	4,197	34	4,231
<b>Total expenses</b>	<b>\$ 14,376,600</b>	<b>\$ 1,404,615</b>	<b>\$ 1,323,544</b>	<b>\$ 17,104,759</b>	<b>\$ 6,092,500</b>	<b>\$ 23,197,259</b>

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

**South Louisiana Charter Foundation, Inc.**  
**Combined Statement of Cash Flows**  
**For the Year Ended June 30, 2025**

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**Cash Flows from Operating Activities:**

Change in net assets (deficit)	\$ 1,345,211
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:	
Depreciation and amortization	1,350,264
(Increase) decrease in assets:	
Grant receivables	218,522
Other receivables	2,630
Prepaid expenses	2,307
Increase (decrease) in liabilities:	
Accounts payable	(714,339)
Accrued payroll and related expenses	254,189
Accrued interest	50,689
Due to management company	303,354
Custodial funds	(5,722)
Compensated absences	(14,674)
	<u>2,792,431</u>
Net cash provided by operating activities	<u>2,792,431</u>

**Cash Flows from Investing Activities:**

Payments for purchase of property and equipment	<u>(333,846)</u>
Net cash used in investing activities	<u>(333,846)</u>

**Cash Flows from Financing Activities:**

Payments on finance lease payables	<u>(1,702,410)</u>
Net cash used in financing activities	<u>(1,702,410)</u>

Net increase in cash, cash equivalents and restricted cash 756,175

**Cash, Cash Equivalents and Restricted Cash, Beginning of Year** 2,495,035

**Cash, Cash Equivalents and Restricted Cash, End of Year** \$ 3,251,210

**Amounts reported in the combined statement of financial position included in cash, cash equivalents and restricted cash above are as follows:**

Cash and cash equivalents	\$ 3,222,954
Custodial funds - restricted cash	<u>28,256</u>
Total cash, cash equivalents and restricted cash	<u>\$ 3,251,210</u>

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

## Note 1 - Organization and Operations

**Organization:** South Louisiana Charter Foundation, Inc. (the "Foundation") is a Louisiana not-for-profit entity organized exclusively for educational purposes for providing high quality educational options for the students and families of Louisiana. For the 2024/2025 school year, the Foundation operated Iberville Charter Academy ("Iberville"), under a Type 2 charter agreement pursuant to Louisiana Revised Statutes, Title 17, Chapter 42 with the Louisiana Board of Secondary Education ("BESE"), and South Baton Rouge Charter Academy ("South Baton Rouge"), under a Type 1 charter agreement pursuant to Louisiana Revised Statutes, Title 17, Chapter 42 of the East Baton Rouge Parish School Board ("EBRPSB") (collectively, the "Schools"). The Iberville charter agreement will terminate on June 30, 2028 and the current South Baton Rouge charter agreement will terminate in June 30, 2026. An extension of the South Baton Rouge charter agreement through June 30, 2030 has been approved by BESE and EBRPSB. The Schools had a combined enrollment of approximately 1,047 students for the 2024/2025 school year.

The Schools, through the Foundation, receive funding from the State of Louisiana based on student population. The Foundation may also receive other revenues, including grants, contributions, food service revenues, and community service revenues.

The other education column on the combined statement of functional expenses includes before and aftercare expenses.

## Note 2 - Summary of Significant Accounting Policies

**Principles of combination:** The accompanying combined financial statements include the accounts of the Foundation and the Schools. All significant intercompany balances and transactions have been eliminated in combination.

**Basis of presentation:** The combined financial statements of the Foundation are prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

**Net assets:** Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Note 2 - Summary of Significant Accounting Policies (continued)**

Grantor restricted support that was initially a conditional contribution (described later in these notes), are reported as net assets without donor restrictions when the conditions and restrictions are met in the same period. Therefore, the Foundation does not report donor restricted net assets unless they meet the criteria described above and the restrictions are not met in the same period received.

All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

**Cash and cash equivalents:** The Foundation considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents.

State statutes require, and it is the Foundation's policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Louisiana as qualified public depositories as defined by Chapter 39 of the Louisiana Revised Statutes. This Statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the Statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The Foundation's deposits of \$ 2,905,981 that were in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are collateralized by U.S. Treasury Notes, as the Foundation has identified itself as a public entity.

**Promises to give:** The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques using risk-adjusted discount rates. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Foundation had no unconditional or conditional promises to give as of June 30, 2025.

**Property and equipment:** Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Property and equipment are defined as assets with an initial cost of \$ 750 and useful life of over one year. Donated property and equipment assets are reported at estimated fair value as of the date received. Additions, improvements, and other major renewals that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related assets. Other costs incurred for repairs and maintenance are charged to expense as incurred.

If donors stipulate the period of time during which the assets must be used, the contributions are recorded as support with donor restrictions, and released as restrictions expire. In the absence of such stipulations, contributions of property and equipment and gifts of cash restricted for the acquisition of property and equipment, are recorded as support without donor restrictions when the assets are placed in service.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Furniture, fixtures and equipment	5 years
Computer equipment	3 years
Improvements other than building	10 years

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Leases:** The Foundation leases the buildings for each of the Schools. The Foundation assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. The associated right-of-use assets are amortized over the life of the lease. Leases with an initial term of 12 months or less are not recorded on the combined statement of financial position.

**Prepaid items:** Certain payments reflect costs applicable to services for a future accounting period and are recorded as prepaid expenses in the accompanying combined financial statements.

**Compensated absences:** The Foundation's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from service. The liability for such leave is reported as incurred in the combined financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

**Revenue and revenue recognition:** The Foundation recognizes contributions when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived.

A portion of the Foundation's revenue, derived from cost-reimbursement federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, is recognized when such expenditures are incurred in compliance with specific contract provisions.

The Schools receive Minimum Foundation Program funding from BESE in an amount for pupils based on estimated daily attendance at the Schools. The amount of funding received is adjusted during the school year based on the October 1st and February 1st student counts and the result of any audits performed. The Schools consider this to be nonexchange revenue.

Revenue from charges for services is derived from food sales and services and community services. Community services is after and before services available for parents. Both types of revenues are earned at the time the service is provided (typically at the point of sale) and payment is due and paid at that point.

**Refundable advances:** Revenues received in advance that are not recognized because the allowable costs or other conditions as defined by the individual grant or contract have not been incurred and/or the conditions of release have not been substantially met or explicitly waived are considered refundable advances.

**Functional allocation of expenses:** The costs of providing the programs and activities of the Foundation have been summarized on a functional basis in the accompanying combined statement of functional expenses. The majority of expenses reported in the statement of functional expenses can be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function, including depreciation utilities, insurance, leadership salaries and the technology department, have been allocated among program and supporting services classification based on estimates of time and effort and square footage.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Use of estimates:** The preparation of combined financial statements in accordance with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the combined financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

**Date of management's review:** Subsequent events have been evaluated through March 20, 2026, which is the date the combined financial statements were issued.

**Note 3 - Custodial Funds - Cash**

As a service to the various School club and parent organizations, the Schools permit these organizations to deposit their own funds in separate School checking accounts. Since these funds do not belong to the School, they are also recorded as a liability in the combined statement of financial position. The Schools do not have variance power with respect to the amounts received and held in the custodial accounts.

**Note 4 - Liquidity and Availability of Financial Assets**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the combined statement of financial position date, comprise the following:

Financial Assets:	
Cash and cash equivalents	\$ 3,222,954
Grants receivable	1,074,652
Other receivables	<u>104,501</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,402,107</u>

The Foundation structures its financial assets to be available as its general expenditures are incurred and as liabilities and other obligations come due.

**Note 5 - Grants Receivable**

As of June 30, 2025, grants receivable consisted of amounts due from the following sources:

Receivables	Amount
Title I	\$ 112,108
National School Lunch Program	2,337
Special Education - Grants to States	22,456
Minimum Foundation Program	852,818
LA 4 Early Childhood Program	63,612
Comprehensive Literacy State Development	9,875
Title II	<u>11,446</u>
	<u>\$ 1,074,652</u>

**Note 6 - Property, Equipment and Right-to-Use Assets**

The following is a summary of property, equipment and right-to-use assets at June 30, 2025:

Right-of-use leased buildings	\$ 23,189,985
Improvements other than building	71,368
Furniture, fixtures and equipment	1,141,585
Computer equipment	3,069,963
Total cost	<u>27,472,901</u>
Less: accumulated depreciation and amortization	<u>(13,518,013)</u>
Property, equipment and right-to-use assets, net	<u>\$ 13,954,888</u>

Right-to-use assets of \$ 13,218,844 were net of accumulated amortization of \$ 9,971,141 as of June 30, 2025.

If certain governmental funding is used to acquire tangible property assets, the BESE and EBRPSB has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the BESE and EBRPSB.

**Note 7 - Finance Lease Payables**

The Foundation entered into two twenty-year lease agreements for the premises for Iberville and South Baton Rouge. The leases contain no options to renew or terminate. The lease agreements qualify as other than short-term finance leases under U.S. GAAP and, therefore, have been recorded at the present value of the future minimum lease payments using a discount rate implicit in the lease of 8.284% and 8.687%, respectively. The weighted average discount rate of the leases is 8.52% and the weighted average remaining lease term is 8.8 years. Cash paid for these leases, and total lease cost, amounted to \$ 2,943,047 for the year ended June 30, 2025, of which \$ 1,770,637 represented interest expense.

The future minimum lease payments under these obligations as of June 30, 2025, are as follows:

Year Ending June 30,	
2026	\$ 2,903,568
2027	2,947,128
2028	2,991,336
2029	3,036,204
2030	3,081,744
2031-2034	<u>12,796,312</u>
Total minimum lease payments	27,756,292
Less: amounts representing interest	<u>(8,577,549)</u>
Present value of minimum lease payments	<u>\$ 19,178,743</u>

### Note 8 - Note Payable

On June 1, 2021, South Louisiana Charter Foundation, Inc., doing business as South Baton Rouge Charter Academy entered into separate promissory notes with Charter Schools USA, Inc. (Note 10) totaling \$ 580,000, with interest at 3% per annum. The South Baton Rouge note was scheduled to mature on October 1, 2025, at which time the entire principal and accrued interest would become due. However, subsequent to June 30, 2025, the Foundation applied with the lender for extension of the note payable for a period of approximately three years, with repayment to be made over the course of that period.

### Note 9 - Income Taxes

South Louisiana Charter Foundation, Inc. is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501 (a) of the Internal Revenue Code.

### Note 10 - Commitments

**Management agreement:** The Foundation has a formal agreement with Charter Schools USA, Inc. ("CSUSA") to manage, staff, and operate the Schools. The agreement states that CSUSA shall be entitled to a management fee and cost reimbursements for its services. The management fee is 15% of revenues which shall be set forth with the approved annual budget or a lesser percentage if, as otherwise agreed to, by CSUSA. Total cost reimbursements and management fees charged by CSUSA to the Foundation amounted to \$ 2,608,583 for the year ended June 30, 2025.

Also at June 30, 2025, the Foundation had an amount due to CSUSA for \$ 618,000 for reimbursement of various expenditures.

**Post-retirement benefits:** The Schools do not provide post-retirement benefits to retired employees.

### Note 11 - Employee Benefit Plan

During the year ended June 30, 2025, the Foundation offered all of its full-time employees, who had attained 21 years of age, a retirement plan (the "Plan") under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 100% of his/her annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant's annual elective deferral to the Plan. As determined annually by the Foundation's management, the Foundation may also make a discretionary profit-sharing contribution, which is allocated among the participants based on a pro rata formula. Participants are immediately vested in their own contributions and earnings on those contributions.

Participants become vested in Foundation contributions and earnings on Foundation contributions according to the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
1	25%
2	50%
3	75%
4	100%

**Note 11 - Employee Benefit Plan (continued)**

Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to reduce any employer contribution. For the Plan year ended December 31, 2024, the Foundation had forfeitures of \$ 862. For the year ended June 30, 2025, the Foundation contributed a matching amount of \$ 37,502.

**Note 12 - Supplemental Cash Flow Information**

Supplemental Disclosure of Cash Flow Information

Cash paid during the year for -	
Interest expense	\$ <u>1,047,236</u>

## SUPPLEMENTAL INFORMATION

**South Louisiana Charter Foundation, Inc.**  
**Combining Statement of Financial Position**  
**June 30, 2025**

	<u>South Baton Rouge Charter Academy</u>	<u>Iberville Charter Academy</u>	<u>South Louisiana Charter Foundation</u>	<u>Eliminations</u>	<u>Combining Total</u>
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 543,996	\$ 2,562,987	\$ 115,971	\$ -	\$ 3,222,954
Custodial funds - restricted cash	18,910	9,346	-	-	28,256
Grants receivable	969,714	104,938	-	-	1,074,652
Due from related party	90,101	40,883	-	(130,984)	-
Other receivables	53,603	50,898	-	-	104,501
Prepaid expenses	15,294	44,730	-	-	60,024
	<u>1,691,618</u>	<u>2,813,782</u>	<u>115,971</u>	<u>(130,984)</u>	<u>4,490,387</u>
<b>Property, Equipment and Right-to-Use Assets, Less Accumulated Depreciation and Amortization</b>					
	<u>6,631,078</u>	<u>7,323,810</u>	<u>-</u>	<u>-</u>	<u>13,954,888</u>
<b>Other Assets:</b>					
Deposits	<u>13,295</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>28,295</u>
Total assets	<u>\$ 8,335,991</u>	<u>\$ 10,152,592</u>	<u>\$ 115,971</u>	<u>\$ (130,984)</u>	<u>\$ 18,473,570</u>
<b>Current Liabilities:</b>					
Accounts payable	\$ 109,586	\$ 168,078	\$ -	\$ -	\$ 277,664
Accrued payroll and related expenses	503,370	330,802	-	-	834,172
Due to management company	439,384.00	178,616	-	-	618,000
Due to related parties	-	18,193	112,791	(130,984)	-
Custodial funds	18,910	9,346	-	-	28,256
Compensated absences	29,495	26,373	-	-	55,868
Accrued interest payable	151,564	55,615	-	-	207,179
Note payable	580,000	-	-	-	580,000
Finance lease payables	758,961	561,814	-	-	1,320,775
	<u>2,591,270</u>	<u>1,348,837</u>	<u>112,791</u>	<u>(130,984)</u>	<u>3,921,914</u>
<b>Noncurrent Liabilities:</b>					
Compensated absences	9,831	8,791	-	-	18,622
Finance lease payables	<u>10,363,461</u>	<u>7,494,507</u>	<u>-</u>	<u>-</u>	<u>17,857,968</u>
Total noncurrent liabilities	<u>10,373,292</u>	<u>7,503,298</u>	<u>-</u>	<u>-</u>	<u>17,876,590</u>
Total liabilities	<u>12,964,562</u>	<u>8,852,135</u>	<u>112,791</u>	<u>(130,984)</u>	<u>21,798,504</u>
<b>Net Assets (Deficit) - Without Donor Restrictions</b>					
	<u>(4,628,571)</u>	<u>1,300,457</u>	<u>3,180</u>	<u>-</u>	<u>(3,324,934)</u>
Total liabilities and net assets (deficit)	<u>\$ 8,335,991</u>	<u>\$ 10,152,592</u>	<u>\$ 115,971</u>	<u>\$ (130,984)</u>	<u>\$ 18,473,570</u>

**South Louisiana Charter Foundation, Inc.**  
**Combining Statement of Activities**  
**For the Year Ended June 30, 2025**

	<u>South Baton Rouge Charter Academy</u>	<u>Iberville Charter Academy</u>	<u>South Louisiana Charter Foundation</u>	<u>Eliminations</u>	<u>Combining Total</u>
<b>Net Assets (Deficit)</b>					
<b>Without Donor Restrictions:</b>					
<b>Support and Revenues:</b>					
Minimum Foundation Program	\$ 10,895,997	\$ 10,338,330	\$ -	\$ -	\$ 21,234,327
State and local grants	537,807	221,852	-	-	759,659
Federal grants	1,035,570	1,332,292	-	-	2,367,862
Before and aftercare fees	38,372	2,241	-	-	40,613
Interest income	22,108	51,709	4,998	-	78,815
Other income	28,903	30,199	2,092	-	61,194
	<u>12,558,757</u>	<u>11,976,623</u>	<u>7,090</u>	<u>-</u>	<u>24,542,470</u>
<b>Expenses:</b>					
Program services:					
Regular education	7,322,235	7,054,365	-	-	14,376,600
Special education	609,967	794,648	-	-	1,404,615
Other education	705,546	617,998	-	-	1,323,544
Supporting services:					
Management and general	<u>3,512,157</u>	<u>2,576,433</u>	<u>3,910</u>	<u>-</u>	<u>6,092,500</u>
	<u>12,149,905</u>	<u>11,043,444</u>	<u>3,910</u>	<u>-</u>	<u>23,197,259</u>
Change in net assets (deficit) without donor restrictions	408,852	933,179	3,180	-	1,345,211
<b>Net Assets (Deficit) Without Donor Restrictions, Beginning of the Year</b>	<u>(5,037,423)</u>	<u>367,278</u>	<u>-</u>	<u>-</u>	<u>(4,670,145)</u>
<b>Net Assets (Deficit) Without Donor Restrictions, End of the Year</b>	<u>\$ (4,628,571)</u>	<u>\$ 1,300,457</u>	<u>\$ 3,180</u>	<u>\$ -</u>	<u>\$ (3,324,934)</u>

**South Louisiana Charter Foundation, Inc.**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2025**

	<u>South Baton Rouge Charter Academy</u>	<u>Iberville Charter Academy</u>	<u>South Louisiana Charter Foundation</u>	<u>Eliminations</u>	<u>Combining Total</u>
<b>Cash Flows from Operating Activities:</b>					
Change in net assets (deficit)	\$ 408,852	\$ 933,179	\$ 3,180	\$ -	\$ 1,345,211
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:					
Depreciation and amortization	986,807	363,457	-	-	1,350,264
(Increase) decrease in assets:					
Grant receivables	(14,557)	233,079	-	-	218,522
Due from management company	-	147,886	-	(147,886)	-
Due from related party	(90,101)	(40,835)	-	130,936	-
Other receivables	22,738	(20,108)	-	-	2,630
Prepaid expenses	(14,586)	16,893	-	-	2,307
Increase (decrease) in liabilities:					
Accounts payable	(475,403)	(238,936)	-	-	(714,339)
Accrued payroll and related expenses	133,367	120,822	-	-	254,189
Accrued interest	44,099	6,590	-	-	50,689
Due to management company	(23,148)	178,616	-	147,886	303,354
Due to related party	(48)	18,193	112,791	(130,936)	-
Custodial funds	(6,557)	835	-	-	(5,722)
Compensated absences	(11,869)	(2,805)	-	-	(14,674)
Net cash provided by operating activities	<u>959,594</u>	<u>1,716,866</u>	<u>115,971</u>	<u>-</u>	<u>2,792,431</u>
<b>Cash Flows from Investing Activities:</b>					
Payment for purchase of fixed assets	<u>(209,441)</u>	<u>(124,405)</u>	<u>-</u>	<u>-</u>	<u>(333,846)</u>
Net cash used in investing activities	<u>(209,441)</u>	<u>(124,405)</u>	<u>-</u>	<u>-</u>	<u>(333,846)</u>
<b>Cash Flows from Financing Activities:</b>					
Payments on finance lease payables	<u>(672,453)</u>	<u>(1,029,957)</u>	<u>-</u>	<u>-</u>	<u>(1,702,410)</u>
Net cash used in financing activities	<u>(672,453)</u>	<u>(1,029,957)</u>	<u>-</u>	<u>-</u>	<u>(1,702,410)</u>
Net increase in cash, cash equivalents and restricted cash	77,700	562,504	115,971	-	756,175
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<u>485,206</u>	<u>2,009,829</u>	<u>-</u>	<u>-</u>	<u>2,495,035</u>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 562,906</u>	<u>\$ 2,572,333</u>	<u>\$ 115,971</u>	<u>\$ -</u>	<u>\$ 3,251,210</u>
<b>Amounts reported in the combined statement of financial position included in cash, cash equivalents and restricted cash above are as follows:</b>					
Cash and cash equivalents	\$ 543,996	\$ 2,562,987	\$ 115,971	\$ -	\$ 3,222,954
Custodial funds - restricted cash	<u>18,910</u>	<u>9,346</u>	<u>-</u>	<u>-</u>	<u>28,256</u>
Total cash, cash equivalents and restricted cash	<u>\$ 562,906</u>	<u>\$ 2,572,333</u>	<u>\$ 115,971</u>	<u>\$ -</u>	<u>\$ 3,251,210</u>

**South Louisiana Charter Foundation, Inc.**  
**Combining Statement of Financial Position to Fund Balance Reconciliation**  
**June 30, 2025**

	<u>South Baton Rouge Charter Academy</u>	<u>Iberville Charter Academy</u>	<u>South Louisiana Charter Foundation</u>	<u>Combining Total</u>
<b>Total Net Assets (Deficit) Reported on the Combining Statement of Financial Position</b>	\$ (4,628,571)	\$ 1,300,457	\$ 3,180	\$ (3,324,934)
Capital assets are not reported for fund balance	(6,631,078)	(7,323,810)	-	(13,954,888)
Long-term liabilities applicable to the Foundation's governmental fund activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are in the combining statement of financial position.				
Accrued interest payable - short-term portion	151,564	55,615	-	207,179
Lease payables - short-term portion	758,961	561,814	-	1,320,775
Lease payables - long-term portion	10,363,461	7,494,507	-	17,857,968
Notes payable - long-term	580,000	-	-	580,000
Compensated absences - short-term portion	29,495	26,373	-	55,868
Compensated absences - long-term portion	9,831	8,791	-	18,622
<b>Total Fund Balance at June 30, 2025</b>	<u>\$ 633,663</u>	<u>\$ 2,123,747</u>	<u>3,180</u>	<u>\$ 2,760,590</u>

Note: The Foundation is required by the Louisiana Department of Education to track and report amounts reported on the statement of financial position to amounts that would be reported on a governmental funds balance sheet so that they can submit an Annual Financial Report to reflect fund balance. Certain amounts related to capital assets and long-term liabilities are not reported on the governmental funds balance sheet, and are therefore not reported as part of fund balance as shown above.

**South Louisiana Charter Foundation, Inc.  
Combining Statement of Activities  
to Changes in Fund Balance Reconciliation  
June 30, 2025**

	<u>South Baton Rouge Charter Academy</u>	<u>Iberville Charter Academy</u>	<u>South Louisiana Charter Foundation</u>	<u>Combining Total</u>
<b>Change in Net Assets (Deficit) Reported in the Combining Statement of Activities</b>	\$ 408,852	\$ 933,179	\$ 3,180	\$ 1,345,211
<p>Amounts reported for the combined financial statements in the combining statement of activities are different due to the following:</p>				
<p>Fund balance reports capital outlays as expenditures. However, in the combining statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.</p>				
Capital outlays capitalized	(209,441)	(124,405)	-	(333,846)
Depreciation and amortization expense	986,807	363,457	-	1,350,264
<p>Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the combined statement of financial position.</p>				
Principal payments on notes payable and lease payables	(672,453)	(1,029,957)	-	(1,702,410)
<p>Expenses reported in the combined statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in fund balance.</p>				
Change in accrued interest payable	44,099	6,590	-	50,689
Change in compensated absences liability	<u>(11,869)</u>	<u>(2,805)</u>	<u>-</u>	<u>(14,674)</u>
<b>Changes in Fund Balance</b>	<u>\$ 545,995</u>	<u>\$ 146,059</u>	<u>\$ 3,180</u>	<u>\$ 695,234</u>

Note: The Foundation is required by the Louisiana Department of Education to track and report amounts reported on the statement of activities to amounts that would be reported on a governmental funds statement of revenues, expenditures, and changes in fund balance so that they can submit an Annual Financial Report to reflect fund balance. Certain amounts related to capital assets and long-term liabilities are not reported on the governmental funds statement of revenues, expenditures and changes in fund balance and are therefore not reported as part of change in fund balance as shown above.

**South Louisiana Charter Foundation, Inc.**  
**Schedule of Board of Directors**  
**June 30, 2025**

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<b><u>Board Members</u></b>	<b><u>Compensation</u></b>
John Pierre, President	\$ 0
Edmond Jordan, Vice-President	\$ 0
Achilles Williams, Treasurer	\$ 0
Dale Auzenne, Secretary	\$ 0
Arthur Dubriel, Trustee	\$ 0
Johanna Posada, Trustee	\$ 0
Becca Thompson, Trustee	\$ 0
Angela Thibodeaux, Trustee	\$ 0

**South Louisiana Charter Foundation, Inc.  
 Schedule of Compensation, Benefits and Other Payments to  
 Agency Head or Chief Executive Officer  
 For the Year Ended June 30, 2025**

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**Agency Head:** Mr. John Pierre, President

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 0
Benefits-Insurance	\$ 0
Benefits-Retirement	\$ 0
Car Allowance	\$ 0
Vehicle Provided by Government	\$ 0
Per Diem	\$ 0
Reimbursements	\$ 0
Travel	\$ 0
Registration Fees	\$ 0
Conference Travel	\$ 0
Continuing Professional Education Fees	\$ 0
Housing	\$ 0
Unvouchered Expenses	\$ 0
Special Meals	\$ 0

**Note:** Agency Head is a voluntary member who receives no compensation for his services to the South Louisiana Charter Foundation, Inc.

# FEDERAL AWARDS INFORMATION

**South Louisiana Charter Foundation, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Provided to Subrecipients</u>
<b>Federal Agency Name:</b>				
Indirect Programs:				
U.S. Department of Agriculture - Passed through the Louisiana Department of Education, Division of Nutrition Support - Child Nutrition Cluster:				
National School Lunch Program	10.555	Unknown	\$ 807,526	\$ -
School Breakfast Program	10.553	Unknown	<u>376,326</u>	<u>-</u>
Total U.S. Department of Agriculture and Total Child Nutritional Cluster			<u>1,183,852</u>	<u>-</u>
U.S. Department of Education - Passed through the Louisiana Department of Education -				
Title I Grants to Local Education Agencies	84.010	S010A220018	270,085	-
Special Education Cluster (IDEA): Special Education - Grants to States	84.027	H027A230033	189,751	-
Supporting Effective Instruction State Grants	84.367	S367A230017	23,510	-
Student Support and Academic Enrichment Program	84.424	S424A230019	3,717	-
Comprehensive Literacy Development (CLD)	84.371C	S371C190018-23	58,367	-
American Rescue Plan - COVID 19 - Elementary and Secondary School Emergency Relief Fund (ESSER III)	84.425U	S425U210003	<u>390,843</u>	<u>-</u>
Total U.S. Department of Education			<u>936,273</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 2,120,125</u>	<u>\$ -</u>

See notes to schedule of expenditures of federal awards.

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal award activity of the South Louisiana Charter Foundation, Inc. (the "Foundation") for the year ended June 30, 2025. The information in this 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 the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

**Note 2 - Summary of Significant Accounting Policies**

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 allowable or are limited as to reimbursement.

**Note 3 - Indirect Cost Rate**

The Foundation did not elect to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 4 - Federal Awards Not Included in the Schedule**

U.S. Department of Education awards in this schedule do not include amounts for South Baton Rouge Charter Academy that are passed through the East Baton Rouge Parish School Board ("EBPRSB"). This exclusion is due to the nature of the school's Type 1 charter agreement. EBPRSB considers expenditures of Federal awards for this school's benefit part of its own expenditures.

# INTERNAL CONTROLS AND COMPLIANCE

**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  
South Louisiana Charter Foundation, Inc.  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of South Louisiana Charter Foundation, Inc. (a nonprofit organization) (the "Foundation"), which comprise the combined statement of financial position as of June 30, 2025, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated March 20, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered the Foundation'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation's combined financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

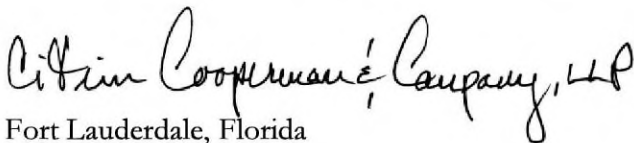
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit we did not identify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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's combined 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida  
March 20, 2026

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

To the Board of Directors  
South Louisiana Charter Foundation, Inc.  
Baton Rouge, Louisiana

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

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

We have audited South Louisiana Charter Foundation, Inc.'s (the "Foundation") 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 the Foundation's major federal programs for the year ended June 30, 2025. The Foundation'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, South Louisiana Charter Foundation, 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 ("GAAS"); 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 the Foundation 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 the Foundation's compliance with the compliance requirements referred to above.

***Other Matters-Federal Expenditures Not Included in the Compliance Audit***

The Foundation's basic financial statements include all the operations of and federal award expenditures of South Baton Rouge Charter Academy (the "School"), which expended a total of \$ 544,459 in federal expenditures passed through the East Baton Rouge County School Board ("EBRCSB"). Federal awards in this amount are not included in the Foundation's schedule of expenditures of federal awards for the year ended June 30, 2025. Our audit, described in the Opinion on Each Major Federal Program section, did not include these expenditures because these expenditures are subject to audit by other auditors, who perform an annual audit of EBRCSB's schedule of expenditures of federal awards and issue a report thereon.

### ***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 the Foundation'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 the Foundation'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 GAAS, *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 the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Foundation'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 the Foundation'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 the Foundation'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.

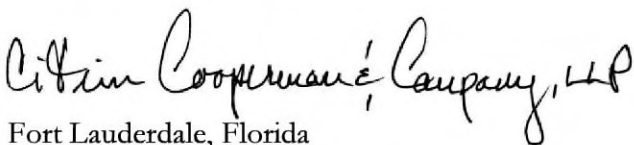
## Report on Internal Control Over Compliance

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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.



Fort Lauderdale, Florida  
March 20, 2026

**South Louisiana Charter Foundation, Inc.  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2025**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  no

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major federal program:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Type of auditor's report issued on compliance for major federal program: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major federal program:

<u>Assistance Listing</u>	<u>Federal Program</u>
10.555	United States Department of Agriculture
10.553	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?  yes  no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None Reported

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None Reported

**South Louisiana Charter Foundation, Inc.  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2025**

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**Finding 2024-001 - Internal Control over Financial Statement Preparation (Repeat Finding – 2023-001)-  
Material Weakness**

**Criteria:** The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertion embodied in the combined financial statements, which for the Foundation, is that the combined financial statements are prepared in accordance with generally accepted accounting principles (U.S. GAAP).

**Condition** We noted, as part of the audit process, significant adjustments were necessary to correct the year end balances for certain accounts on the combined statement of financial position of the Foundation. These accounts included grants receivable, accounts payable, accrued interest expense, wages payable and net assets. These adjustments also impacted the combined statement of activities. Reclassifications were also necessary for proper presentation of federal and state revenues. Because of these items there is an indication that the internal controls over the year-end closing process of the Foundation is not properly designed and implemented.

**Recommendation:** The Foundation should strengthen its controls including its review and reconciliation processes over year-end closing entries.

**Current Status:** The finding has been corrected in the current year. Quantitative audit adjustment count declined substantially, closing procedures to provide accounting information for the audit were more timely and very few audit areas required adjustments that were missing at the time the trial balance was provided for audit. No similar findings were noted in the 2025 audit.

**Finding 2024-002 - Preparation of Schedule of Expenditures of Federal Awards**

**Condition:** The initial SEFA prepared by the Foundation's personnel did not reconcile the federal expenditures reported on the SEFA to the federal revenue received by granting agency.

**Recommendation:** The Foundation should strengthen its controls including its review and approval processes over the information and balances that is accumulated and reported on the SEFA to make sure the expenditures reported are an accurate representation of federal costs.

**Current Status:** The finding has been corrected in the current year. SEFA data prepared by the Foundation's personnel was reconciled to the federal revenue received by the granting agency.

**SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514 - PERFORMANCE  
AND STATISTICAL DATA)  
(UNAUDITED)**

## INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees, the Louisiana Department of Education and  
the Louisiana Legislative Auditor  
South Louisiana Charter Foundation, Inc.  
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of South Louisiana Charter Foundation, Inc. (the “Foundation”) for the fiscal year ended June 30, 2025; related to the Foundation’s compliance with Louisiana Revised Statute 25:514.I (the “specified requirements”). Management of the Foundation is responsible for its performance and statistical data and compliance with the specified requirements.

The Foundation’s management 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 and assisting users in determining whether the Foundation complied with the specified requirements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledge 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 among the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

South Louisiana Charter Foundation, Inc.

No exceptions were noted as a result of applying this 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 roll books for those classes and observed that the class was properly classified on the schedule.

No exceptions were noted as a result of applying this procedure.

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

3. We obtained the October 1st Profile of Educational Personnel (“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).

No exceptions were noted as a result of applying this procedure.

Public School Staff Data: Average Salaries (No Schedule included)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing prepared 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).

No exceptions were noted as a result of applying this procedure.

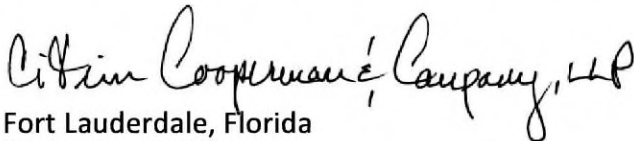
We were engaged by the Foundation’s management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, 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.

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South Louisiana Charter Foundation, Inc.

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

The purpose of applying the agreed-upon procedures is solely to describe the scope of procedures performed on the performance and statistical data accompanying the annual financial statements of the Foundation, as required by Louisiana Revised Statute 24:514.I, and the associated findings, and not to provide an opinion or conclusion. 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.



Fort Lauderdale, Florida  
March 20, 2026

**South Louisiana Charter Foundation, Inc.**  
**Baton Rouge, Louisiana**  
**Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2025**

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

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

**Schedule 2 - Class Size Characteristics**

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

**South Louisiana Charter Foundation, Inc.**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2025**

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**Schedule 1**

**General Fund Instructional and Equipment Expenditures:**

General Fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 5,277,674
Other instructional staff activities	46,804
Instructional staff employee benefits	1,121,111
Purchased professional and technical services	3,575,443
Instructional materials and supplies	400,058
Instructional equipment	<u>52,109</u>

Total teacher and student interaction activities \$ 10,473,199

Other instructional activities -

Pupil support activities	1,562,303
Less: equipment for pupil support activities	<u>-</u>

Net pupil support activities 1,562,303

Instructional staff services	621,371
Less: equipment for instructional staff services	<u>-</u>

Net instructional staff services 621,371

School administration	1,007,621
Less: equipment for school administration	<u>7,719</u>

Net school administration 999,902

Total General Fund instructional expenditures \$ 13,656,775

Total General Fund equipment expenditures \$ 59,828

See accountant's report on applying agreed-upon procedures.

**South Louisiana Charter Foundation, Inc.**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**(continued)**  
**For the Year Ended June 30, 2025**

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**Schedule 1**

Certain Local Revenue Sources:

Local taxation revenue:

Constitutional ad valorem taxes	\$	-
Renewable ad valorem tax		-
Debt services ad valorem tax		-
Up to 1% of collections by the sheriff on taxes other than school taxes		-
Sales and use taxes		-
		<hr/>

Total local taxation revenue	\$	<hr/> -
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Local earnings on investment in real property:

Earnings from 16th Section property		-
Earnings from other real property		-
		<hr/>

Total local earnings on investment in real property	\$	<hr/> -
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State revenue in lieu of taxes:

Revenue sharing - constitutional tax	\$	-
Revenue sharing - other taxes		-
Revenue sharing - excess portion		-
Other revenue in lieu of taxes		-
		<hr/>

Total state revenue in lieu of taxes	\$	<hr/> -
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Nonpublic textbook revenue	\$	<hr/> -
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Nonpublic transportation revenue	\$	<hr/> -
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See accountant's report on applying agreed-upon procedures.

**South Louisiana Charter Foundation, Inc.**  
**Class Size Characteristics**  
**As of October 1, 2024**

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**Schedule 2**

	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
<b>School Type:</b>								
Elementary	46%	348	0%	-	1%	10	0%	-
Elementary/activity classes	7%	50	0%	-	0%	-	0%	-
Middle/Junior High	0%	-	0%	-	0%	-	0%	-
Middle/Junior High activity classes	0%	-	0%	-	0%	-	0%	-
High	0%	-	0%	-	0%	-	0%	-
High activity classes	0%	-	0%	-	0%	-	0%	-
Combination	9%	70	19%	147	10%	77	0%	-
Combination activity classes	1%	9	4%	32	3%	19	0%	-

**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 kindergarten through 3 is 26 students and maximum enrollment in grades 4 through 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.

LOUISIANA LEGISLATIVE AUDITOR  
STATEWIDE AGREED-UPON PROCEDURES  
(UNAUDITED)

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

To the Board of Trustees of South Louisiana Charter Foundation, Inc.  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (“C/C”) areas identified in the Louisiana Legislative Auditor’s (the “LLA’s”) Statewide Agreed-Upon Procedures (“SAUPs”) for the fiscal period July 1, 2024 through June 30, 2025. Management of South Louisiana Charter Foundation, Inc. (the “Foundation”) is responsible for those C/C areas identified in the SAUPs.

The Foundation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. We obtained and inspected the Foundation’s written policies and procedures and observed whether those written policies and procedures address each of the following categories and subcategories (or reported that the Foundation does not have any written policies and procedures), as applicable to public funds and the Foundation’s operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

### Written Policies and Procedures (Continued)

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Foundation's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Comment:** No findings were identified as a result of applying these procedures. Ethics, Debt Service, and Sexual Harassment were not tested as the Foundation is a non-profit as per guidance in the SAUPs instructions published by the LLA.

### Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:
  - a) Observed whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**Comment:** No findings were identified as a result of applying these procedures.

### **Bank Reconciliations**

3. We obtained a listing of Foundation bank accounts for the fiscal year from management and management's representation that the listing is complete. We asked management to identify the Foundation's main operating account. We selected the Foundation's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
  - c) Management had documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Comment:** No findings were identified as a result of applying these procedures.

### **Collections (excluding electronic funds transfers)**

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected five deposits sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained and inspected written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

**Collections (excluding electronic funds transfers) (Continued)**

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

**Comment:** No findings were identified as a result of applying these procedures.

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

- 8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.

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

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, we obtained the Foundation's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and:
- a) Observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Foundation.
  - b) Observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the Foundation's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Foundation's policy, and (b) approved by the required number of authorized signers per the Foundation's policy.

**Comment:** No findings were identified as a result of applying these procedures.

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

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchasing cards ("P-cards") for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)**

13. Using the listing prepared by management, we randomly selected 5 cards (or all cards if the Foundation has less than 5 cards) that were used during the fiscal period. We randomly selected one monthly statement or statement for each card (for a debit card, randomly selected one monthly bank statement), obtained supporting documentation, and:
  - a) Observed whether there was evidence that the monthly statement or statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - b) Observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or statements selected under #13 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions.
  - a) For each transaction, we observed whether the transaction was supported by:
    - i. An original itemized receipt (i.e., identifies precisely what was purchased)
    - ii. Written documentation of the business/public purpose
    - iii. For meal charges, documentation of the individuals participating
15. Using the monthly statements or combined statements selected under procedure #14 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, we observed that it was supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For any missing receipts, we described the nature of the transaction and observed that management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Comment:** No findings were identified as a result of applying these procedures.

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

16. We obtained from management a listing of all travel and related expense reimbursements during the fiscal period and management representation that the listing or general ledger was complete. We randomly selected 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

- a) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observed the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observed each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Comment:** No findings were identified as a result of applying these procedures.

**Contracts**

17. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period, or alternately an active vendor list. We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observed the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, approval was documented).
  - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed the invoice and related payment agreed to the terms and conditions of the contract.

**Comment:** No findings were identified as a result of applying these procedures.

### **Payroll and Personnel**

18. We obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
19. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
  - a) Observed whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observed whether supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Observed whether any leave accrued or taken during the pay period was reflected in the Foundation's cumulative leave records.
  - d) Observed whether the rate paid to the employees or officials agreed to the authorized salary/pay rate found within the personnel file.
20. We obtained from management a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Foundation's policy on termination payments. We agreed the hours to the employee or officials' cumulative leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
21. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Comment:** No findings were identified as a result of applying these procedures.

### **Ethics**

22. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
  - a) Observed whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

### **Ethics (Continued)**

- b) Observed whether the Foundation maintains documentation which demonstrates each employee and official were notified of any changes to the Foundation's ethics policy during the fiscal period, as applicable.
23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Comment:** Area not applicable as the Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities as per guidance in the SAUPs instructions published by the LLA.

### **Debt Service**

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

**Comment:** Not applicable as the Foundation is a non-profit as per guidance in the SAUPs instructions published by the LLA.

### **Fraud Notice**

26. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Foundation reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Foundation is domiciled as required by R.S. 24:523.
27. Observe the Foundation has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Comment:** No findings were identified as a result of applying these procedures.

### Information Technology Disaster Recovery/Business Continuity

28. We performed the following procedures and discussed the results with management:
- a) We obtained and inspected the Foundation's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) We obtained and inspected the Foundation's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
  - c) We obtained a listing of the Foundation's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly select 5 computers and observed while management demonstrated that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
29. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19.
- a) Observed evidence that the selected terminated employees have been removed or disabled from the network.
30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18, we obtained cybersecurity training documentation from management, and observed that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.
- a) Employees hired before June 9, 2020 - completed the training.
  - b) Employees hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

**Comment:** No findings were identified as a result of applying these procedures. Procedure 28 is not applicable as charter schools are not required to comply with R.S. 42:1267 as per guidance in the SAUPs instructions published by the LLA.

### Prevention of Sexual Harassment

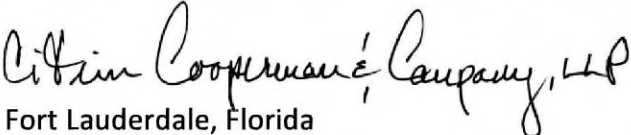
31. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrated each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R. S. 42:343.
32. Observe the Foundation has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Foundation's premises if the Foundation does not have a website).
33. Obtain the Foundation's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Comment:** Area not applicable as charter schools are not required to comply with R.S. 42:1267 as per guidance in the SAUPs published by the LLA.

We were engaged by the Foundation's management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

The purpose of this applying the agreed-upon procedures is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

  
Fort Lauderdale, Florida  
March 20, 2026

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