

***ATHLOS ACADEMY OF JEFFERSON***

*FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
June 30, 2025 and 2024*

**ATHLOS ACADEMY OF JEFFERSON**

TABLE OF CONTENTS

June 30, 2025 and 2024

	<b>PAGE</b>
INDEPENDENT AUDITORS' REPORT .....	1-3
FINANCIAL STATEMENTS:	
Statements of Financial Position.....	4
Statements of Activities and Changes in Net Assets .....	5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows.....	8
NOTES TO THE FINANCIAL STATEMENTS .....	9-16
SUPPLEMENTARY INFORMATION	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	17-18
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i> .....	19-21
Schedule of Expenditures of Federal Awards.....	22
Notes to Schedule of Expenditures of Federal Awards.....	23
Schedule of Findings and Questioned Costs.....	24-25
Schedule of Prior Year Findings and Questioned Costs .....	26
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head .....	27
Schedule of Board of Directors .....	28

*INDEPENDENT AUDITORS' REPORT*

To the Board of Directors  
Athlos Academy of Jefferson  
Terrytown, Louisiana

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

***Opinion***

We have audited the accompanying financial statements of Athlos Academy of Jefferson (the Academy) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Athlos Academy of Jefferson as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

***Substantial Doubt about the Organization's Ability to Continue as a Going Concern***

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 12 to the financial statements, subsequent to year end but prior to the issuance of these financial statements, on December 19, 2025 the Academy's Board of Directors voted to withdraw the Academy's charter renewal application, and the Academy's charter is scheduled to expire on June 30, 2026. As a result of the withdrawal and absent an approved renewal or other authorization, the Academy expects to cease operations effective June 30, 2026. These conditions raise substantial doubt about the Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

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

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. 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* (Uniform Guidance), schedule of board of directors, and the schedule of compensation, reimbursements, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025 on our consideration of Athlos Academy of Jefferson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy'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 Athlos Academy of Jefferson's internal control over financial reporting and compliance.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
December 23, 2025

# ATHLOS ACADEMY OF JEFFERSON

## STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

### ASSETS

	<u>2025</u>	<u>2024</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 7,027,238	\$ 6,109,933
Restricted cash and cash equivalents	2,955,034	2,879,016
Grants receivable	327,347	555,167
Prepaid expenses	188,382	277,506
Due from – other	<u>8,083</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>	<b>10,506,084</b>	<b>9,821,622</b>
<b>NONCURRENT ASSETS</b>		
Deposits	17,011	17,011
Property and equipment, net	<u>26,958,498</u>	<u>27,244,798</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>26,975,509</u>	<u>27,261,809</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 37,481,593</u></b>	<b><u>\$ 37,083,431</u></b>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 365,334	\$ 136,412
Accrued payroll and other liabilities	215,140	286,611
Due to related parties – other	214,722	438,647
Deferred revenue	50,660	-
Bonds payable, current portion	<u>230,000</u>	<u>210,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,075,856</b>	<b>1,071,670</b>
<b>NONCURRENT LIABILITIES</b>		
Bonds payable, less current portion	31,675,000	31,905,000
Less debt issuance costs, net	(941,634)	(1,032,002)
Less original issue bond discount, net	<u>(896,303)</u>	<u>(934,936)</u>
<b>TOTAL LIABILITIES</b>	<b>30,912,919</b>	<b>31,009,732</b>
<b>NET ASSETS</b>		
Without donor restrictions	<u>6,568,674</u>	<u>6,073,699</u>
<b>TOTAL NET ASSETS</b>	<u>6,568,674</u>	<u>6,073,699</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 37,481,593</u></b>	<b><u>\$ 37,083,431</u></b>

**ATHLOS ACADEMY OF JEFFERSON**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
*For the Years Ended June 30, 2025 and 2024*

	2025 Without Donor <u>Restrictions</u>	2024 Without Donor <u>Restrictions</u>
<b>REVENUE</b>		
State and local MFP funding	\$ 13,232,285	\$ 13,726,943
Federal and state grant revenue	2,365,437	4,444,443
Other income	207,520	82,886
Interest income	377,514	90,077
Gain on termination of lease	<u>-</u>	<u>1,698,257</u>
<b>TOTAL REVENUE</b>	<b>16,182,756</b>	<b>20,042,606</b>
<b>EXPENSES</b>		
Program services	11,154,810	11,727,502
General and administrative	<u>4,532,971</u>	<u>5,944,533</u>
<b>TOTAL EXPENSES</b>	<b><u>15,687,781</u></b>	<b><u>17,672,035</u></b>
<b>CHANGES IN NET ASSETS</b>	<b>494,975</b>	<b>2,370,571</b>
<b>NET ASSETS, Beginning of Year</b>	<b><u>6,073,699</u></b>	<b><u>3,703,128</u></b>
<b>NET ASSETS, End of Year</b>	<b><u>\$ 6,568,674</u></b>	<b><u>\$ 6,073,699</u></b>

## **ATHLOS ACADEMY OF JEFFERSON**

### **STATEMENT OF FUNCTIONAL EXPENSES**

*For the Year Ended June 30, 2025*

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salary expense	\$ 4,648,892	\$ 714,601	\$ 5,363,493
Payroll taxes & employee benefits	773,268	125,516	898,784
Professional fees	466,980	2,280,109	2,747,089
Facility expense	74,435	444,082	518,517
Insurance	-	457,132	457,132
Student transportation	1,378,606	-	1,378,606
Food service expense	669,459	-	669,459
Travel expenses	-	1,879	1,879
Materials and supplies	76,506	160,753	237,259
Books and workbooks	108,932	-	108,932
Miscellaneous expense	-	20,263	20,263
Amortization – debt issuance cost	78,631	8,737	87,368
Amortization – original issue bond discount	34,770	3,863	38,633
Interest	2,152,362	239,151	2,391,513
Depreciation	<u>691,969</u>	<u>76,885</u>	<u>768,854</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 11,154,810</u></b>	<b><u>\$ 4,532,971</u></b>	<b><u>\$ 15,687,781</u></b>

# **ATHLOS ACADEMY OF JEFFERSON**

## **STATEMENT OF FUNCTIONAL EXPENSES**

*For the Year Ended June 30, 2024*

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salary expense	\$ 4,868,433	\$ 1,125,117	\$ 5,993,550
Payroll taxes & employee benefits	851,084	184,087	1,035,171
Professional fees	514,478	2,690,699	3,205,177
Facility expense	54,824	953,890	1,008,714
Insurance	-	480,177	480,177
Student transportation	1,624,180	-	1,624,180
Food service expense	767,054	-	767,054
Travel expenses	-	30,998	30,998
Materials and supplies	222,545	167,198	389,743
Books and workbooks	133,694	-	133,694
Miscellaneous expense	-	13,343	13,343
Amortization – right of use asset	1,055,227	117,248	1,172,475
Amortization – debt issuance cost	22,742	2,527	25,269
Amortization – original issue bond discount	9,690	1,077	10,767
Interest	1,313,329	145,925	1,459,254
Depreciation	<u>290,222</u>	<u>32,247</u>	<u>322,469</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 11,727,502</u></b>	<b><u>\$ 5,944,533</u></b>	<b><u>\$ 17,672,035</u></b>

# ATHLOS ACADEMY OF JEFFERSON

## STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 494,975	\$ 2,370,571
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Amortization – right of use asset	-	1,172,475
Amortization – original bond discount	38,633	10,767
Amortization – debt issuance costs	87,368	25,269
Depreciation	768,854	322,469
Gain on termination of lease	-	(1,698,257)
Changes in operating assets and liabilities:		
Grants receivable	227,820	2,449,712
Prepaid expenses	89,124	(273,811)
Due from – other	(5,083)	-
Accounts payable	228,922	(56,315)
Accrued payroll and other liabilities	(71,471)	(102,012)
Deferred revenue	50,660	-
Due to related parties	(223,925)	(127,517)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	1,685,877	4,093,351
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(482,554)	(27,500,755)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(482,554)	(27,500,755)
<b>CASH FLOWS FROM FINANCING ACITIVITES</b>		
Net proceeds from issuance of bonds	-	30,112,026
Principal payments on bonds	(210,000)	-
Principal payments on financing lease	-	(529,372)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	(210,000)	29,582,654
<b>NET CHANGE IN CASH, RESTRICTED CASH AND CASH EQUIVALENTS</b>	993,323	6,175,250
<b>CASH, RESTRICTED CASH AND CASH EQUIVALENTS – Beginning of year</b>	8,988,949	2,813,699
<b>CASH, RESTRICTED CASH AND CASH EQUIVALENTS – End of year</b>	\$ 9,982,272	\$ 8,988,949

### SUPPLEMENTAL CASH FLOW INFORMATION

Interest expense payments on financing lease	\$ -	\$ (788,302)
Interest expense payments on bonds payable	\$ (2,391,513)	\$ (670,952)

During the year ended June 30, 2024, the Academy purchased a formerly leased school facility. This resulted in derecognizing \$35,383,459 of right of use asset – financing and \$37,081,716 of lease liability – financing resulting in the gain on termination of lease of \$1,698,257 noted above.

**ATHLOS ACADEMY OF JEFFERSON**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2025 and 2024

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Nature of Organization***

Athlos Academy of Jefferson (the Academy) was incorporated on April 19, 2016 as a nonprofit organization under the laws of the State of Louisiana. The purpose of the Academy is to provide high quality educational opportunities for the whole child built on the three foundational pillars of prepared mind, healthy body, and performance character. During the year ended June 30, 2019, the Academy began operating a school in Terrytown, Louisiana servicing students from kindergarten through seventh grade. During the year ended June 30, 2020, the Academy expanded their services to students to include eighth grade. The Academy was approved to operate as a Type 2 charter school by the Louisiana Board of Elementary and Secondary Education (BESE) in June 2018. The Academy has partnered with Athlos Academies, an educational service provider, who provides management services and support for academic, fiscal, and operational services.

The charter contract entered into with BESE was effective for an initial period of four years and was set to terminate on June 30, 2023, unless extended for a maximum initial term of five years, contingent upon the results of a review by BESE after the completion of the third year of operation. In December of 2022, BESE approved a three-year renewal of the charter contract, through June 30, 2026, as recommended by the Louisiana Department of Education (LDOE). Prior to the expiration of the current charter contract, the charter contract may be renewed at the discretion of BESE pursuant to applicable provisions of Title 17, Chapter 42, of the Louisiana Revised Statutes and BESE policy Bulletin 126. On December 19, 2025, the Board of Directors voted to withdraw the renewal application, thus terminating the Charter effective June 30, 2026. See NOTE 12 – Charter Renewal and Going Concern

***Basis of Accounting and Financial Statement Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“US GAAP”), which requires the Academy to report information regarding its financial position and activities according to the following net asset classifications:

***Net assets without donor restrictions*** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Academy. These net assets may be used at the discretion of the Academy’s management and the Board of Directors.

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

**ATHLOS ACADEMY OF JEFFERSON**  
*NOTES TO THE FINANCIAL STATEMENTS – CONTINUED*  
*June 30, 2025 and 2024*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

***Basis of Accounting and Financial Statement Presentation – Continued***

Donor restricted revenues are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. The Academy did not have any assets with donor restrictions as of June 30, 2025 and 2024.

***Use of Estimates***

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

***Fair Value of Financial Instruments***

Fair value estimates, methods and assumptions for the Academy's financial instruments of cash, restricted cash and cash equivalents, grants receivable, prepaid expenses, deposits, accounts payable, accrued payroll and other liabilities, due to related parties – other, and bonds payable are that the carrying amounts reported approximate fair value at June 30, 2025 and 2024.

***Liquidity***

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash (See NOTE 8).

***Cash and Cash Equivalents***

The Academy considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents.

***Restricted Cash and Cash Equivalents***

The restricted cash and cash equivalents are amounts not available for general purposes and are segregated from other cash balances. The restrictions are related to contractual agreements and regulatory requirements of the bonds payable.

**ATHLOS ACADEMY OF JEFFERSON**  
*NOTES TO THE FINANCIAL STATEMENTS – CONTINUED*  
*June 30, 2025 and 2024*

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

**Grants Receivable**

Grants receivable consists of receivables related to the federal grant programs and are stated at the amounts the Academy expects to collect. As of June 30, 2025 and 2024, the Academy has determined that there were no balances deemed uncollectible. Grant receivables as of July 1, 2023 were \$3,004,879.

**Revenue Recognition**

Program income and other sources of income are accounted for under ASC Topic 606, *Revenue from Contracts with Customers*, recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied, or when performance obligations are met. The Academy's primary sources of funding are through the State of Louisiana Public School Fund-Minimum Foundation Program (MFP) and federal and state grants. Revenues from federal and state grants are recorded when the Academy has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the Academy, or when earned under the terms of the grants.

**Functional Expenses**

The cost of providing program and other activities have been summarized on a functional basis (See statements of functional expenses). Accordingly, costs are assigned to program or supporting services based on function codes determined by management, as allowed per the Louisiana Accounting and Uniform Governmental Handbook.

For 2024, management elected to change the allocation method for certain costs, including amortization, interest, and depreciation. These costs are now allocated based on the square footage of the school facility utilized for program and supporting activities. This change was implemented to more accurately reflect the usage of the newly acquired school facility, which is used 90% for program activities.

**Property and Equipment**

Property and equipment are recorded at cost. The Academy capitalizes all expenditures for leasehold improvements and equipment in excess of \$5,000. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis upon the following estimated useful lives: Building – 35 years, building improvements – 5 years and equipment – 5 years.

**Long-Term Obligations, Bond Issuance Costs, and Original Issue Bond Discount**

Long-term obligations include revenue bonds issued to finance the purchase of the school facility. The Academy capitalizes debt issuance costs and original issue discounts and presents them as a direct deduction from the carrying amount of the related debt liability. These amounts are amortized over the term of the related debt using the effective interest rate method. Unamortized balances are presented net against the related bonds payable.

**ATHLOS ACADEMY OF JEFFERSON**  
*NOTES TO THE FINANCIAL STATEMENTS – CONTINUED*  
*June 30, 2025 and 2024*

**NOTE 2 – CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Academy to concentrations of credit risk consist principally of cash deposits. The Academy at times has cash on deposit at financial institutions that is in excess of federally insured limits. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Academy has not experienced any losses in such accounts. The Academy has no policy requiring collateral or other security to support its deposits.

The total bank balances of cash were \$7,027,238 and \$6,109,933, of which \$4,946,510 and \$5,859,933 was uninsured for the years ended June 30, 2025 and 2024, respectively. Restricted cash and cash equivalents balances were not covered by FDIC insurance.

**NOTE 3 – CONCENTRATIONS**

The Academy receives a significant portion of its support from the MFP. Management is not aware of any actions that will significantly affect the amount of funds the Academy will receive in future years. Approximately 82% and 68% of total revenue was received from the MFP program during the years ended June 30, 2025 and 2024, respectively.

**NOTE 4 – INCOME TAX STATUS**

The Academy received a tax-exempt ruling under Section 501(c)(3) from the Internal Revenue Service, and accordingly, is not subject to federal income tax unless the Academy has unrelated trade or business income. Management believes there are no uncertain tax positions. As of June 30, 2025, the Academy had three years of tax returns open for review by the IRS. The years 2024, 2023, and 2022 are included within the 3-year statute of limitations for IRS review. As of the date of the audit report, the Academy has not filed its tax return for the year ended June 30, 2025.

**NOTE 5 – EMPLOYEE BENEFIT PLAN**

The Academy sponsors a defined contribution plan (the Plan) for all employees qualified under Section 403(b) of the Internal Revenue Code. Contributions to the Plan by the Academy are based on the participants' contributions. The Academy pays expenses associated with the administration of the Plan. The Academy expensed contributions to the Plan totaling \$34,334 and \$38,867 during the years ended June 30, 2025 and 2024, respectively.

**ATHLOS ACADEMY OF JEFFERSON**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
*June 30, 2025 and 2024*

**NOTE 6 – BONDS PAYABLE**

During the year ended June 30, 2024, the Louisiana Public Facilities Authority issued Series 2024A, two tax-exempt revenue bonds, and Series 2024B, a taxable revenue bond, on behalf of the Academy to finance the purchase of the leased school facility.

	Par Value	Original Bond Issue Discount	Maturity	Interest rate
Series 2024A	\$ 15,630,000	\$ (467,320)	June 1, 2054	7.375%
Series 2024A	16,000,000	(478,383)	June 1, 2059	7.500%
Series 2024B	485,000	-	June 1, 2027	8.000%
Totals	<u>\$ 32,115,000</u>	<u>\$ (945,703)</u>		

The bonds are secured by a first mortgage lien on the school facility and a security interest in certain revenues of the Academy. Additionally, under the agreement, the Academy is required to maintain a minimum debt service coverage ratio of 1.10 and ensure 45 days of cash on hand starting from June 30, 2025 as well as certain cash restrictions. As of June 30, 2025, the Academy was in compliance with all covenants stipulated in the agreement, including financial reporting requirements and limitations on additional indebtedness. See NOTE 12 regarding going concern.

Interest payments are due monthly, beginning March 31, 2024. Principal repayments commenced on June 1, 2025. The bonds include the following call provisions, Series 2024A can be redeemed starting June 1, 2033, at par value, and Series 2024B is callable at any time without penalty.

The proceeds from the bond issuance were \$31,169,297 after deducting original bond issue discount of \$945,703. There were associated debt issuance costs of \$1,054,271, of which \$611,745 was allocated to Series 2024A and \$442,526 was allocated to Series 2024B. These costs are amortized over the bond terms using the effective interest rate method. Amortization for the year ended June 30, 2025 and 2024 totaled \$38,633 and \$10,767 for original issue discount and \$87,368 and \$25,269 for debt issuance costs.

At June 30, 2025 and 2024, scheduled principal repayments and carrying amount are as follows:

Fiscal Year Ending June 30	June 30, 2025 Principal Amount	June 30, 2024 Principal Amount
2025	\$ -	\$ 210,000
2026	230,000	230,000
2027	245,000	245,000
2028	265,000	265,000
2029	285,000	285,000
2030	305,000	305,000
Thereafter	30,575,000	30,575,000
Total principal amount	<u>31,905,000</u>	<u>32,115,000</u>
Less: original bond issue discount, net of amortization	(896,303)	(934,936)
Less: debt issuance costs, net of amortization	(941,634)	(1,032,002)
Bonds payable, net	<u>\$ 30,067,063</u>	<u>\$ 30,148,062</u>

**ATHLOS ACADEMY OF JEFFERSON**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
*June 30, 2025 and 2024*

**NOTE 7 – LEASE TERMINATION AND BUILDING PURCHASE**

In February 2024, the Academy issued bonds through Louisiana Public Facilities Authority, see NOTE 6, to finance the purchase of the school facility previously leased under a long-term financing lease agreement. This transaction resulted in the termination of the lease. Upon termination, the Academy derecognized the right-of-use asset and lease liability associated with the lease, resulting in a gain on termination of lease of \$1,698,257 on the statement of activities and changes in net assets.

The gain on lease termination was calculated as the net difference between the carrying amount of the lease liability – financing of \$37,081,716 and the right of use asset – financing of \$35,383,459 at the termination date. The total purchase price of the school facility was \$27,500,755 which has been recognized as a building of \$25,852,692 and land of \$1,648,063 in property and equipment, net on the statement of financial position.

**NOTE 8 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The table below represents financial assets available for general expenditures within one year at June 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Cash	\$ 7,027,238	\$ 6,109,933
Grants receivable	<u>327,347</u>	<u>555,167</u>
Financial assets available to meet general expenditures within one year	<u>\$ 7,354,585</u>	<u>\$ 6,665,100</u>

Certain assets are not expected to be converted to cash within one year or are otherwise restricted and therefore are not available for general expenditures; accordingly, those assets are excluded from the table above.

**NOTE 9 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,648,063	\$ 1,648,063
CIP	248,606	-
Building	25,852,692	25,852,692
Building Improvements	24,695	24,695
Equipment	282,753	48,804
Less: Accumulated Depreciation	<u>(1,098,311)</u>	<u>(329,456)</u>
Net Book Value	<u>\$ 26,958,498</u>	<u>\$ 27,244,798</u>

Depreciation expense was \$768,854 and \$322,469 for the years ended June 30, 2025 and 2024, respectively.

**ATHLOS ACADEMY OF JEFFERSON**  
*NOTES TO THE FINANCIAL STATEMENTS – CONTINUED*  
*June 30, 2025 and 2024*

**NOTE 10 – RELATED PARTIES**

The Academy entered into a master school services agreement effective beginning July 1, 2018, with School Model Support, L.L.C., dba Athlos Academies, to provide education, performance character, health and fitness programs, and school opening and ongoing management services. In addition, included in this agreement, the Academy is provided a trademark license agreement, which provides the Academy the right to use the Athlos Academies' logo. The Academy entered into a new five year master service agreement effective beginning September 11, 2021, with School Model Support, L.L.C. dba Athlos Academies. The agreement is for a term of five years and will expire on the fifth anniversary of the term commencement date. This agreement was renewed effective June 21, 2025, and is coterminous with the Academy's charter contract and any renewals thereof, unless terminated earlier in accordance with the agreement.

The Academy recognized management services expense of \$1,941,931 and \$2,204,906 for the years ended June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024 the Academy had a remaining balance due to School Model Support, L.L.C. of \$214,722 and \$438,647, respectively.

The Academy entered into a facility lease agreement with RJ Jefferson Parish I, LLC, a related party with ownership similar to Athlos Academies, to rent school facilities. This was recorded as a financing lease at June 20, 2023. This lease was terminated and the school facility was purchased during fiscal year 2024, see NOTE 7.

**NOTE 11 – CONTINGENCIES**

The continuation of the Academy is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contract with the Board of Elementary and Secondary Education. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

The current charter contract for the Academy was approved by BESE through June 30, 2026. The continuation of the Academy is also contingent on BESE's renewal of a charter contract after the June 30, 2026 expiration date. See NOTE 12.

**ATHLOS ACADEMY OF JEFFERSON**  
*NOTES TO THE FINANCIAL STATEMENTS – CONTINUED*  
*June 30, 2025 and 2024*

**NOTE 12 – CHARTER RENEWAL AND GOING CONCERN**

The Academy operates under a charter agreement that is scheduled to expire on June 30, 2026 and is subject to renewal. On December 19, 2025, subsequent to year end but prior to the issuance of these financial statements, the Academy's Board of Directors voted to withdraw the renewal application. As a result of the withdrawal and absent an approved renewal or other authorization, the Academy expects to cease operations effective June 30, 2026.

The Academy has outstanding bond obligations related to its school facility (see NOTE 6). Management has indicated that the planned cessation of operations could result in a default on the Academy's outstanding bond obligations. Upon default, the school facility would be transferred to the bond trustee for disposition, with proceeds to be used to satisfy bondholder claims. As of the date these financial statements are available to be issued, the exact timing and financial effects of a potential default and related disposition have not been determined.

Management's plans to address these matters include continuing operations through the end of the charter term under the oversight of the Board of Directors, monitoring cash flows, and working with legal counsel and the bond trustee regarding required notices and contingency planning to support an orderly transition or wind-down of operations, as necessary. However, continuation of operations beyond June 30, 2026 requires an approved charter renewal, other authorization from BESE, or another applicable authorizer. As of the date these financial statements are available to be issued, no such renewal or authorizations have been approved, therefore, the Academy cannot continue operations beyond June 30, 2026.

These conditions raise substantial doubt about the Academy's ability to continue as a going concern within one year after the date these financial statements are issued. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which corresponds with the date of the Independent Auditors' Report.

Other than the matter described in NOTE 12, no material subsequent events have occurred since June 30, 2025 that required recognition or disclosure in these financial statements.

***SUPPLEMENTARY INFORMATION***

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

The Board of Directors of  
Athlos Academy of Jefferson  
Terrytown, 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 Athlos Academy of Jefferson (the Academy), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Athlos Academy of Jefferson's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Athlos Academy of Jefferson's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 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 Athlos Academy of Jefferson's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance 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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
December 23, 2025

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

The Board of Directors of  
Athlos Academy of Jefferson  
Terrytown, Louisiana

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

We have audited Athlos Academy of Jefferson's (the Academy) 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 Academy's major federal programs for the year ended June 30, 2025. The Academy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Athlos Academy of Jefferson 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 Academy's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Academy's federal programs.

## **Auditors' 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 Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Academy'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 Academy'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 Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

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

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

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

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
December 23, 2025

**ATHLOS ACADEMY OF JEFFERSON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2025

<u>Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Award Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education			
Passed through State of Louisiana Department of Education:			
Special Education Cluster			
IDEA Part B - Special Education Grants to States	84.027A	2024 – 2025	\$ 220,893
IDEA 611 Set Aside	84.027	2024 – 2025	5,220
IDEA High Cost Services Round I	84.027	2024 – 2025	<u>5,308</u>
Total Special Education Cluster			231,421
Title I, Part A - Grants to Local Educational Agencies	84.010/84.010A	2024 – 2025	821,869
Title II, Part A – Supporting Effective Instruction State Grants	84.367A	2024 – 2025	18,888
Title III - English Language Acquisition Grants	84.365A	2024 – 2025	17,131
Title IV, Part A – Student Support and Academic Enrichment Program	84.424A	2024 – 2025	4,825
Comprehensive Literacy State Development K-8	84.371C	2024 - 2025	<u>94,549</u>
Total for U.S. Department of Education			957,262
U.S. Department of Agriculture			
Passed through State of Louisiana Department of Education:			
Child Nutrition Cluster			
National School Lunch Program	10.555	2024 - 2025	<u>842,420</u>
Total Child Nutrition Cluster			842,420
Total for U.S. Department of Agriculture			<u>842,420</u>
United States Department of Homeland Security			
Passed through the Governor’s Office of Homeland Security and Emergency Preparedness:			
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	PA-06-LA-4611 PW 552861	<u>24,078</u>
Total for Department of Homeland Security			<u>24,078</u>
Total Federal Expenditures			<u>\$ 2,055,181</u>

The accompanying notes are an integral part of this schedule.

**ATHLOS ACADEMY OF JEFFERSON**  
*NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*  
*Year Ended June 30, 2025*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Athlos Academy of Jefferson and is presented on the accrual basis of accounting. 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 Academy, it is not intended to and does not present the financial position and changes in net assets of the Academy. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE 2 – DETERMINATION OF TYPE A AND TYPE B PROGRAMS**

Federal award programs are classified as either Type A or Type B programs. For the year ended June 30, 2025, Type A programs consisted of the federal programs that expended over \$750,000 and Type B programs are the programs that expended under \$750,000.

**NOTE 3 – DE MINIMIS COST RATE**

During the year ended June 30, 2025, the Academy did not elect to use the de minimis cost rate as covered in section 200.414 of the Uniform Guidance. Under prior guidance, the de minimis rate was 10% of modified total direct costs. Effective October 1, 2024, the Uniform Guidance was revised to allow entities to elect an increased de minimis rate of up to 15% for awards issued on or after that date.

**NOTE 4 – SUBRECIPIENTS**

The Academy did not pass-through any of its federal awards to a subrecipient during the year ended June 30, 2025.

**NOTE 5 – NON-CASH ASSISTANCE**

No federal awards were expended in the form of non-cash assistance during the year ended June 30, 2025.

**NOTE 6 – PRIOR YEAR FEMA EXPENDITURES**

Of the \$2,055,181 reported on Schedule of Expenditures of Federal Awards, the entire amount under Assistance Listing number 97.036 (\$24,078) was incurred in prior years.

**ATHLOS ACADEMY OF JEFFERSON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*Year Ended June 30, 2025*

**I. SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  Yes  No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.555	Child Nutrition Cluster National School Lunch Program

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

Auditee Qualified as Low-Risk Auditee?  Yes  No

**ATHLOS ACADEMY OF JEFFERSON**  
*SCHEDULE OF FINDINGS AND QUESTIONED COSTS – Continued*  
*Year Ended June 30, 2025*

**I. FINANCIAL STATEMENT FINDINGS**

None noted.

**2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

**3. MEMORANDUM OF ADVISORY COMMENTS**

None noted.

**ATHLOS ACADEMY OF JEFFERSON**  
*SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS*  
*Year Ended June 30, 2024*

**I. FINANCIAL STATEMENT FINDINGS**

None noted.

**2. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

**3. MEMORANDUM OF ADVISORY COMMENTS**

None noted.

**ATHLOS ACADEMY OF JEFFERSON**  
*SCHEDULE OF COMPENSATION, REIMBURSEMENTS,  
BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2025*

Cheryl Martin, Executive Director:

Purpose:	
Salary	\$ 36,906
Benefits	<u>2,010</u>
Total	<u>\$ 38,916</u>

**ATHLOS ACADEMY OF JEFFERSON**  
 SCHEDULE OF BOARD OF DIRECTORS  
 FOR THE YEAR ENDED JUNE 30, 2025

<u>Board Member</u>	<u>Compensation</u>
Janine Holmes, Board Chair	\$ -
Vasy McCoy, Vice Chair	-
Nakeveya Anthony, Treasurer	-
Tiffany Burns, Secretary	-
Phillip Boutte, Board Member	-
Andres Acuna, Board Member	-
Mike Caparotta, Board Member*	-
Jada Washington, Board Member	-
Jaquetta Wright, Board Member*	-

*\*Former board member who was active during the year ended June 30, 2025.*

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

To the Board of Directors of Athlos Academy of Jefferson,  
the Louisiana Department of Education,  
and the Louisiana Legislative Auditor  
Terrytown, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Athlos Academy of Jefferson (the Academy) and the Louisiana Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Academy and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514.I. The Academy is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

- I. 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 Schedule I:
  - a. Total General Fund Instructional Expenditures
  - b. Total General Fund Equipment Expenditures
  - c. Total Local Taxation Revenue
  - d. Total Local Earnings on Investment in Real Property
  - e. Total State Revenue in Lieu of Taxes
  - f. Nonpublic Textbook Revenue
  - g. Nonpublic Transportation Revenue

**We noted no exceptions.**

## **Class Size Characteristics (Schedule 2)**

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2024 roll books for those classes and observed that the class was properly classified on the schedule.

**We noted no exceptions.**

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

3. We obtained October 1, 2024 PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was property classified on the PEP data or equivalent listing prepared by management.

**Per review of the documentation maintained for the 25 individuals selected, we noted 7 individual's education level and experience did not agree to the data included in the October 1, 2024 PEP report.**

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

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

**We noted no exceptions.**

This agreed-upon procedures engagement was performed 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.

Management has responded, see attached.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Athlos Academy of Jefferson, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Kushner LaGraize, L.L.C.*

December 23, 2025

Metairie, Louisiana

**ATHLOS ACADEMY OF JEFFERSON**  
**SCHEDULE I – GENERAL FUND INSTRUCTIONAL AND SUPPORT**  
**EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES**  
*As of and For the Year Ended June 30, 2025*  
*(Unaudited)*

**GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES**

GENERAL FUND INSTRUCTIONAL EXPENDITURES

TEACHER AND STUDENT INTERACTION ACTIVITIES

Classroom teacher salaries	\$ 3,177,916
Other instructional staff activities	253,962
Instructional staff employee benefits	564,260
Purchased property services	202,988
Purchased professional and technical services	118,262
Instructional materials and supplies	146,549
Instructional equipment	<u>-</u>

TOTAL TEACHER AND STUDENT INTERACTION ACTIVITIES      4,463,937

OTHER INSTRUCTIONAL ACTIVITIES

-

PUPIL SUPPORT ACTIVITIES

694,040

Less: equipment for pupil support activities	<u>-</u>
--	----------

NET PUPIL SUPPORT ACTIVITIES      694,040

INSTRUCTIONAL STAFF SERVICES

126,911

Less: equipment for instructional staff services	<u>-</u>
--	----------

NET INSTRUCTIONAL STAFF SERVICES      126,911

SCHOOL ADMINISTRATION

2,679,024

Less: equipment for school administration	<u>-</u>
---	----------

NET SCHOOL ADMINISTRATION      2,679,024

TOTAL GENERAL FUND INSTRUCTIONAL EXPENDITURES      \$7,963,912

TOTAL GENERAL FUND EQUIPMENT EXPENDITURES      \$ -

Note: Remainder of the BESE Schedule I does not apply to the Academy.

# ATHLOS ACADEMY OF JEFFERSON

## SCHEDULE II – CLASS SIZE CHARACTERISTICS

As of October 1, 2024

(Unaudited)

### **CLASS SIZE CHARACTERISTICS**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	18.5%	65	36.5%	128	29.1%	102	2.6%	9
Elementary Activity Classes	0.0%	-	8.8%	31	4.0%	14	0.6%	2
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

## CORRECTIVE ACTION PLAN

December 23, 2025

### Board of Elementary and Secondary Education Auditor

Athlos Academy of Jefferson Parish respectfully submits to you the following Corrective Action Plan in response to the BESE Agreed-Upon Procedures engagement performed for the year ended June 30, 2022.

Kushner LaGraize, LLC  
Certified Public Accountants and Consultants  
3330 West Esplanade Ave-Suite 100  
Metairie, LA 70002

**Audit period: July 1, 2024 – June 30, 2025**

### Procedure:

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

3. We obtained October 1, 2024 PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

**Per review of the documentation maintained for the 25 individuals selected, we noted 7 individual's education level and experience did not agree to the data included in the October 1, 2024 PEP report.**

**Management's Response to 3.** Athlos Academy of Jefferson Parish continues to train and implement corrective action procedures to ensure for the year FY24 and beyond that staff education and experience level match submitted PEP reports. In addition, Athlos Academy of Jefferson Parish is providing for additional training for its human resources staff to help with the tracking and populating of this data.

*Chris Brooks*

CFO on behalf of organization