

Vermilion Charter
Foundation, Inc.

Financial Statements
For the Year Ended June 30, 2025

Vermilion Charter Foundation, Inc.

Table of Contents

Independent Auditor's Report	1-3
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-15
Supplemental Information	
Statement of Financial Position to Fund Balance Reconciliation	16
Statement of Activities to Changes in Fund Balance Reconciliation	17
Schedule of Board of Directors	18
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	19
Federal Awards Information	
Schedule of Expenditures of Federal Awards	20
Notes to Schedule of Expenditures of Federal Awards	21
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 <i>Government Auditing Standards</i>	22-23
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	24-26
Schedule of Findings and Questioned Costs	27

Vermilion Charter Foundation, Inc.

Table of Contents (Continued)

Other Information:

**Schedules Required By State Law (R.S. 24:514 - Performance and Statistical Data)
(Unaudited)**

Independent Accountant's Report on Applying Agreed-Upon Procedures	28-30
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data):	31
Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenues Sources	32-33
Schedule 2 - Class Size Characteristics	34

**Louisiana Legislative Auditor Statewide Agreed-Upon Procedures
(Unaudited)**

Independent Accountant's Report On Applying Agreed-Upon Procedures	35-45
Management Response to Louisiana Legislative Auditor Statewide Agreed-Upon Procedures (Not Covered by the Accountant's Report on Applying Agreed Upon Procedures)	46



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Vermilion Charter Foundation, Inc.
Maurice, Louisiana

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our 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 Vermilion 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 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 Vermilion Charter Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 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 Vermilion 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vermilion 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 financial statements as a whole. The accompanying statements on pages 16 through 17 and the Schedule of Board of Directors and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer on pages 18 and 19 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

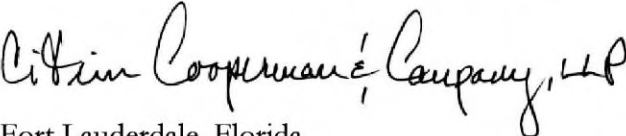
Other Information

The Performance and Statistical Data and the Louisiana Legislative Auditor Statewide Agreed-Upon Procedures (“other information”) on pages 27 through 45, which are the responsibility of management, are presented for purpose of additional analysis and are not a required part of the 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 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 16, 2026, on our consideration of the Vermilion 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vermilion Charter Foundation, Inc.’s internal control over financial reporting and compliance.



Fort Lauderdale, Florida

March 16, 2026

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FINANCIAL STATEMENTS

Vermilion Charter Foundation, Inc.
Statement of Financial Position
June 30, 2025

Current Assets:	
Cash and cash equivalents	\$ 2,092,217
Custodial funds - restricted cash	103,914
Grants receivables	73,814
Other receivables	64,244
Prepaid items	<u>161,470</u>
Total current assets	<u>2,495,659</u>
Property, Equipment and Right-to-Use Assets, Less Accumulated Depreciation and Amortization of \$ 974,152	<u>22,096,621</u>
Other Assets:	
Deposits	<u>186,325</u>
Total assets	<u>\$ 24,778,605</u>
Current Liabilities:	
Accounts payable and accrued expenses	\$ 229,951
Salaries and wages payable	387,453
Due to management company	160,755
Refundable advances	1,427,505
Due to custodial funds	21,082
Custodial funds	103,914
Compensated absences	23,418
Accrued interest payable	175,488
Notes payable	356,910
Finance lease payable	<u>111,309</u>
Total current liabilities	<u>2,997,785</u>
Noncurrent Liabilities:	
Compensated absences	7,806
Notes payable	771,376
Finance lease payable	<u>20,799,335</u>
Total noncurrent liabilities	<u>21,578,517</u>
Total liabilities	24,576,302
Net Assets - Without Donor Restrictions	<u>202,303</u>
Total liabilities and net assets	<u>\$ 24,778,605</u>

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

Vermilion Charter Foundation, Inc.
Statement of Activities
For the Year Ended June 30, 2025

Net Assets Without Donor Restrictions:

Support and Revenues:

Minimum Foundation Program	\$ 9,832,563
State grants	229,499
Federal grants	1,246,309
Before and aftercare fees	179,500
Other income	<u>157,042</u>

Total support and revenue 11,644,913

Expenses:

Program services:	
Regular education	5,725,241
Special education	830,292
Other education	825,756
Supporting services:	
Management and general	<u>4,061,321</u>

Total expenses 11,442,610

Change in net assets without donor restrictions 202,303

Net Assets Without Donor Restrictions, Beginning of Year -

Net Assets Without Donor Restrictions, End of Year \$ 202,303

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

Vermilion Charter Foundation, Inc.
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	\$ 2,792,934	\$ 315,140	\$ 257,783	\$ 3,365,857	\$ 458,878	\$ 3,824,735
Interest	-	-	-	-	2,174,715	2,174,715
Contracted and vendor services	291,184	218,100	50	509,334	267,419	776,753
Depreciation and amortization	514,102	62,743	62,285	639,130	335,022	974,152
Supplies and materials	665,642	9,714	142,929	818,285	93,503	911,788
Benefits	574,434	63,981	54,039	692,454	96,782	789,236
Food service	380,126	36,973	-	417,099	4,213	421,312
Repairs and maintenance	1,653	-	-	1,653	412,317	413,970
Rent	340,735	-	-	340,735	-	340,735
Utilities	66,010	66,010	66,010	198,030	66,010	264,040
Insurance	57,631	57,631	57,631	172,893	57,631	230,524
Marketing and recruitment	-	-	98,261	98,261	-	98,261
Office expense	9,832	-	-	9,832	45,877	55,709
Professional development	-	-	50,403	50,403	-	50,403
Technology	29,850	-	-	29,850	7,449	37,299
Travel	-	-	36,365	36,365	-	36,365
School board fees	-	-	-	-	27,134	27,134
Professional services	-	-	-	-	13,685	13,685
Other	1,108	-	-	1,108	686	1,794
Total expenses	\$ 5,725,241	\$ 830,292	\$ 825,756	\$ 7,381,289	\$ 4,061,321	\$ 11,442,610

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

Vermilion Charter Foundation, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2025

Cash Flows from Operating Activities:

Change in net assets	\$ 202,303
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	974,152
(Increase) decrease in:	
Grants receivable	(73,814)
Other receivables	(64,244)
Prepaid items	(161,470)
Deposits	(186,325)
Increase (decrease) in:	
Accounts payable and accrued expenses	229,951
Salaries and wages payable	387,453
Due to management company	160,755
Refundable advances	1,427,505
Due to custodial funds	21,082
Custodial funds	103,914
Compensated absences	31,224
Accrued interest payable	175,488
	<hr/>
Net cash provided by operating activities	3,227,974

Cash Flows from Investing Activities:

Payments for purchase of property and equipment	<hr/> (1,948,520)
Net cash used in investing activities	<hr/> (1,948,520)

Cash Flows from Financing Activities:

Proceeds from notes payable	1,341,552
Payments on notes payable	(213,267)
Payments on finance lease payables	<hr/> (211,608)
Net cash provided by financing activities	<hr/> 916,677

 Net increase in cash, cash equivalents and restricted cash 2,196,131

Cash, Cash Equivalents and Restricted Cash, Beginning of Year

-

Cash, Cash Equivalents and Restricted Cash, End of Year \$ 2,196,131

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

Cash and cash equivalents	\$ 2,092,217
Custodial funds - restricted cash	<hr/> 103,914
Total cash, cash equivalents and restricted cash	\$ <u><u>2,196,131</u></u>

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

Note 1 - Organization and Operations

Organization: Vermilion Charter Foundation, Inc. (the “Foundation”), is a Louisiana not-for-profit organization, which was formed on June 22, 2020, organized exclusively for educational purposes for providing high quality educational options for the citizens of the Vermilion Parish. Vermilion Charter Academy (“VCA”), was established as a charter school for students from kindergarten to twelfth grade in the Louisiana Parish of Vermilion. For the year ended June 30, 2025, VCA served students from kindergarten through eighth grade. VCA is divided into two campuses: Lower Campus (to service students from kindergarten through fifth grade) and Upper Campus (to service students from sixth grade through twelfth grade). VCA is a Department of the Foundation. VCA had an enrollment of approximately 923 students for the 2024/2025 school year.

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

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

Nature of activities: The Foundation was granted a charter by the Louisiana Board of Elementary and Secondary Education (“BESE”) in 2024 to operate a Type 2 public charter school. The current charter is in effect until June 2029. The charter may be renewed at the discretion of BESE.

The mission of the VCA is to develop students who are innovative thinkers, emotionally intelligent leaders, and lifelong learners in a safe and secure environment.

The vision of the VCA is to create a school that provides every child an excellent education that is centered on science, arts, and innovation and shapes a diverse and inclusive culture within the community.

The Foundation’s vision and mission supports its school, VCA. In essence, the Foundation, through its academy, aims to provide high-quality educational options for Vermilion Parish, preparing students for success through a unique, supportive, and innovative approach.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation: The 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.

Note 2 - Summary of Significant Accounting Policies (continued)

- *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.

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 maintains 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 \$ 1,950,791 that were in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are collateralized by the 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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 and software	3-5 years

Leases: The Foundation leases its facility. 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. Leases with an initial term of 12 months or less are not recorded on the combined statement of financial position. The associated right-of-use asset is amortized over the life of the lease.

Compensated absences: The School'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.

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

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 School receives Minimum Foundation Program funding from BESE in an amount for pupils based on estimated daily attendance at the School. 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 School considers this revenue to be nonexchange revenue.

Revenue from changes 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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 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.

Use of estimates: The preparation of 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 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 16, 2026, which is the date the financial statements were issued.

Note 3 - Custodial Funds - Cash

As a service to the various school club and parent organizations, the School permits 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 statement of financial position. The School does 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 statement of financial position date, comprise the following:

Financial Assets:	
Cash and cash equivalents	\$ 2,092,217
Grants receivables	73,814
Other receivables	<u>64,244</u>
Financial assets at year-end	<u>2,230,275</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual restrictions:	
Refundable advances (Note 7)	<u>(1,427,505)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>802,770</u>

Note 4 - Liquidity and Availability of Financial Assets (continued)

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:

<u>Receivables</u>	<u>Amount</u>
Title I	\$ 5,889
Charter Schools grant	17,492
Special Education -	
Grants to States	9,943
State Stipend	<u>40,490</u>
	<u>\$ 73,814</u>

Note 6 - Property and Equipment and Right-of-Use Assets

Property and equipment balances and activity as of June 30, 2025, are as follows:

Computer equipment and software	\$ 1,109,545
Furniture, fixtures and equipment	838,975
Right-to-use assets:	
Buildings	<u>21,122,253</u>
	23,070,773
Less: Accumulated depreciation and amortization	<u>(974,152)</u>
Property, equipment and right-to-use assets, net	<u>\$ 22,096,621</u>

Right-of-use assets of \$ 20,594,197, were net of accumulated amortization of \$ 528,056 as of June 30, 2025.

If certain governmental funding is used to acquire tangible property assets, BESE 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 BESE.

Note 7 - Refundable Advances

As of June 30, 2025, the Foundation reports a refundable advances of \$ 1,427,505. This balance is composed of excess payments of Minimum Foundation Program funding received by VCA from BESE, which are to be returned in the subsequent fiscal year.

Note 8 - Notes Payable

During the year, the Foundation entered into two note payable agreements collateralized by certain furniture, fixtures and equipment and computer equipment. The agreements call for monthly payments of \$ 19,945 and \$ 17,710, including interest at 10.04% and 9.64%, respectively, which are the rates implicit in the agreements.

Future payments required under this agreement as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 356,910	\$ 94,950	\$ 451,860
2027	393,732	58,127	451,859
2028	291,188	21,057	312,245
2029	86,456	2,094	88,550
	<u>\$ 1,128,286</u>	<u>\$ 176,228</u>	<u>\$ 1,304,514</u>

Note 9 - Finance Lease Payable

During the year, the Foundation entered into a twenty-year lease agreement with RAD for the use of school facilities owned by RAD. The lease agreement qualifies as other than short-term lease under U.S. GAAP and, therefore, has been recorded at the present value of the future minimum payment lease payments as of the effective date of the lease of July 1, 2024. The discount rate used to recognize the lease liability was 10%, which is the implicit rate in the agreement. The lease cost for this lease for the year ended June 30, 2025 totaled \$ 2,322,197, including interest expense of \$ 2,110,589.

The following is a schedule of the Foundation's future lease payments as of June 30, 2025:

Year Ending June 30,	
2026	\$ 2,212,121
2027	2,212,121
2028	2,212,121
2029	2,212,121
2030	2,433,333
2031-2035	12,529,998
2036-2040	14,130,997
2041-2045	<u>11,777,332</u>
Total lease payments	49,720,144
Less: amount representing interest	<u>(28,809,500)</u>
Present value of finance lease liabilities	<u>\$ 20,910,644</u>

Note 10 - Income Taxes

Vermilion 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 11 - Commitments

Management agreements: The Foundation has a formal agreement with Charter Schools USA, Inc. (“CSUSA”), to manage, staff, and operate the school. 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 \$ 355,140 for the year ended June 30, 2025.

Also at June 30, 2025, the Foundation had amount due to CSUSA for \$ 160,755 for reimbursement of various expenditures. This amount is shown on the financial statements as an amount due to management company.

Post-retirement benefits: The Foundation does not provide post-retirement benefits to retired employees.

Note 12 - Employee Benefit Plan

During the year ended June 30, 2025, the Foundation offered all of their 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%

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 Schools had forfeitures of \$ 217. For the year ended June 30, 2025, the Schools contributed a matching amount of \$ 14,766.

Note 13 - Supplemental Cash Flow Information

Supplemental Disclosure of Cash Flow information:

Cash paid during the year for - Interest expense	\$ <u>2,174,715</u>
Non-cash investing and financing activities:	
Right-of-use assets obtained through issuance of finance lease payables	\$ <u>21,122,253</u>
Issuance of finance lease payables	\$ <u>21,122,253</u>

SUPPLEMENTAL INFORMATION

Vermilion Charter Foundation, Inc.
Statement of Financial Position to Fund Balance Reconciliation
June 30, 2025

Total Net Assets Reported on the Statement of Financial Position	\$ 202,303
Capital assets are not reported for fund balance	(22,096,621)
<p>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 statement of financial position</p>	
Compensated absences - short-term	23,418
Compensated absences - long-term	7,806
Accrued interest payable	175,488
Notes payable - short-term portion	356,910
Lease payable - short-term portion	111,309
Notes payable - long-term portion	771,376
Lease payable - long-term portion	<u>20,799,335</u>
Total Fund Balance at June 30, 2025	\$ <u>351,324</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.

Vermilion Charter Foundation, Inc.
Statement of Activities to Changes in Fund Balance Reconciliation
For the Year Ended June 30, 2025

Changes in Net Assets Reported on the Statement of Activities	\$ 202,303
Amounts reported in the statement of activities are different due to the following:	
Fund balance reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense.	
Capital outlays capitalized	(23,070,773)
Depreciation and amortization expense	974,152
Repayment of debt is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of financial position.	
Principal payments on notes payable	(213,267)
Principal payments on finance lease payable	(211,608)
Issuance of notes payable	1,341,552
Issuance of finance lease payable	21,122,253
Expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in fund balance.	
Change in compensated absences	31,224
Change in accrued interest payable	<u>175,488</u>
Changes in Fund Balance	\$ <u><u>351,324</u></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 fund balance as shown above.

Vermilion Charter Foundation, Inc.
Schedule of Board of Directors
June 30, 2025

<u>Board Members</u>	<u>Compensation</u>
Bridget Winters, President	\$ 0
Murphy Guilbeaux, Vice President	\$ 0
Ethan Broussard, Secretary	\$ 0
Riley Meaux, Treasurer	\$ 0
Ben Rivera, Trustee	\$ 0
Jason Duhon, Trustee	\$ 0
Dr. Mary Riggs Cook, Trustee	\$ 0
Karen Miller Lewis, Trustee	\$ 0
Jared Labue, Trustee	\$ 0

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

Agency Head: Bridget Winters, President

Purpose	Amount
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 Vermilion Charter Foundation, Inc.

FEDERAL AWARDS INFORMATION

Vermilion 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>
Federal Agency Name:				
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	\$ 213,786	\$ -
School Breakfast Program	10.553	Unknown	<u>38,394</u>	<u>-</u>
Total U.S. Department of Agriculture and Total Child Nutrition Cluster			<u>252,180</u>	<u>-</u>
U.S. Department of Education -				
Passed through the Louisiana Department				
of Education -				
Title I Grants to Local Educational Agencies	84.010	S010A230018	72,116	-
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	S367A230017	154,706	-
Charter Schools	84.282	S282A230003	619,480	-
COVID-19 - Education Stabilization Fund	84.425D	S425D210003	<u>147,827</u>	<u>-</u>
Total U.S. Department of Education			<u>994,129</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,246,309</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 Vermilion 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.

**INTERNAL CONTROLS
AND COMPLIANCE**



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

To the Board of Directors
Vermilion Charter Foundation, Inc.
Maurice, 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 Vermilion Charter Foundation, Inc. (a nonprofit organization), (the "Foundation"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the 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 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 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 preceding paragraph 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.

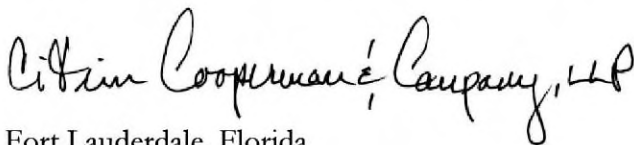
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Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 16, 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
Vermilion Charter Foundation, Inc.
Maurice, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Vermilion 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, Vermilion 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.

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.

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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.

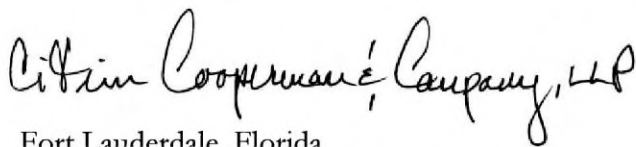
Report on Internal Control Over Compliance (Continued)

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 16, 2026

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

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 none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major federal programs: *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>CFDA No.</u>	<u>Federal Programs</u>
84.282	United States Department of Education Charter Schools

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

Auditee qualified as low-risk auditee? yes no

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



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors, the Louisiana Department of Education
and the Louisiana Legislative Auditor
Vermilion Charter Foundation, Inc.
Maurice, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Vermilion Charter Foundation, Inc. (the "Foundation") for the fiscal year ended June 30, 2025; related to the Foundation's compliance with Louisiana Revised Statute 24:514.I (the "specified requirements"). Management of the Foundation is responsible for its performance and statistical data and compliance with the specified requirements.

The Vermilion Charter Foundation, Inc.'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

No exceptions noted.

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 noted.

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

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

No exceptions noted.

Public School Staff Data: Average Salaries (No Schedule)

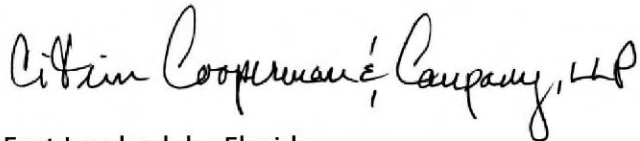
4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing prepared by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation 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 noted.

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.

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 Vermilion Charter Foundation, Inc., 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 16, 2026

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.

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

Schedule 1

**General Fund Instructional
and Equipment Expenditures:**

General Fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 2,450,157
Other instructional staff activities	21,326
Instructional staff employee benefits	570,364
Purchased professional and technical services	362,530
Instructional materials and supplies	346,704
Instructional equipment	<u>1,243,072</u>

Total teacher and student interaction activities \$ 4,994,153

Other instructional activities -

Pupil support activities	657,047
Less: equipment for pupil support activities	<u>8,379</u>

Net pupil support activities 648,668

Instructional staff services	359,482
Less: equipment for instructional staff services	<u>-</u>

Net instructional staff services 359,482

School administration	497,220
Less: equipment for school administration	<u>19,447</u>

Net school administration 477,773

Total General Fund instructional expenditures \$ 6,480,076

Total General Fund equipment expenditures \$ 1,270,898

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

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

Schedule 1 (continued)

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	-
	<u>-</u>

Total local taxation revenue	\$ <u><u>-</u></u>
------------------------------	--------------------

Local earnings on investment in real property:	\$
Earnings from 16th Section property	-
Earnings from other real property	-
	<u>-</u>

Total local earnings on investment in real property	\$ <u><u>-</u></u>
-----------------------------------------------------	--------------------

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

Total state revenue in lieu of taxes	\$ <u><u>-</u></u>
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Nonpublic textbook revenue	\$ <u><u>-</u></u>
----------------------------	--------------------

Nonpublic transportation revenue	\$ <u><u>-</u></u>
----------------------------------	--------------------

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

Vermilion Charter Foundation, Inc.
 Class Size Characteristics
 As of October 1, 2025

Schedule 2

	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
School Type:								
Elementary	15%	61	60%	243	5%	21	2%	10
Elementary/activity classes	2%	9	13%	51	2%	8	1%	1
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	0%	-	0%	-	0%	-	0%	-
Combination activity classes	0%	-	0%	-	0%	-	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.

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

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
(UNAUDITED)

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Vermilion 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 ("LLA's") Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period July 1, 2024 through June 30, 2025. Vermilion Charter Foundation, Inc.'s (the "Foundation") management 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.
 - 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.

Collections (excluding electronic funds transfers) (Continued)

- 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: In testing, we discovered that certain deposit component items had been collected as many as three days prior to depositing into the bank account.

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.

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, electronic funds, 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 P-cards (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.
- 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:

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

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

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

- 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.

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Payroll and Personnel (Continued)

- 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.
 - 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 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.

Debt Service (continued)

- 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.

Information Technology Disaster Recovery/Business Continuity (Continued)

- 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. 42:126728.
- 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

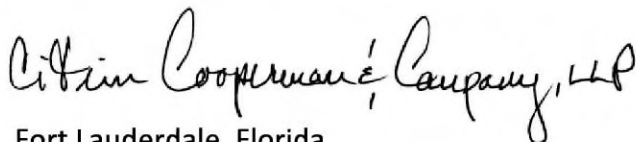
- 31) Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrated each employee/official completed at least one hour of sexual harassment training 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 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 on 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 16, 2026

Vermilion Charter FOUNDATION

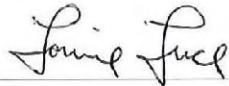
March 16, 2026

Management Response to Collections Comment in the SAUP Results

Management continues to reinforce adherence to established internal control policies at the school level related to the timely deposit of collections.

Targeted discussions and refresher guidance will be conducted to emphasize the importance of timely bank deposits, clarify expectations, and review required timelines and documentation. Additionally, compliance with deposit requirements will be periodically reviewed as part of ongoing operational monitoring to ensure consistency and prevent recurrence. This includes formalizing follow-up with school leadership and the School Operations Administrator.

Management is committed to maintaining strong fiscal controls and will continue to take proactive steps to ensure all collections are deposited timely in accordance with internal policies and best practices.



Lonnie Luce, State Superintendent, Louisiana
Regions

March 16, 2026