

LOUISIANA DEPARTMENT OF THE TREASURY

LOUISIANA K-12 SCHOOL TRANSPARENCY PROJECT

RECOVERY ASSISTANCE SERVICES

**Agreed-Upon Procedures Report
for the period July 2024 - June 2025
Issued September 30, 2026**

**LOUISIANA LEGISLATIVE AUDITOR
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September 17, 2026

Independent Accountant's Report
On the Application of Agreed-Upon Procedures

THE HONORABLE JOHN C FLEMING, MD
LOUISIANA DEPARTMENT OF TREASURY
Baton Rouge, Louisiana

We have performed the procedures enumerated below to assist the Department of Treasury (Treasury) in confirming the sufficiency of financial information reported to Treasury by K-12 public and charter school systems in accordance with Act 370 of the 2023 Regular Legislative Session (Financial Information) for the period July 1, 2024, through June 30, 2025. Treasury management is responsible for the Financial Information.

An agreed-upon procedures engagement involves the Louisiana Legislative Auditor performing specific procedures that Treasury management has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting findings based on the procedures performed. 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.

OVERALL RESULTS

For the period July 1, 2024, through June 30, 2025, we performed procedures on the Financial Information for seven of the 10 school systems selected by Treasury. Three of the 10 school systems submitted Financial Information that was not approved by Treasury. The following table lists the selected school systems.



School Systems Selected by Treasury			
School System Number	School System Name	Financial Information Approved By Treasury	Procedures Performed
1	Belle Chasse Academy	No	No
2	Bossier Parish	Yes	Yes
3	East Baton Rouge Parish	Yes	Yes
4	Jefferson Parish	Yes	Yes
5	JS Clark Leadership Academy	Yes	Yes
6	Lafayette Parish	Yes	Yes
7	Lycee Francais de la Nouvelle - Orleans	Yes	Yes
8	Orleans Parish	No	No
9	St. Charles Parish	Yes	Yes
10	Tangipahoa Parish	No	No

The procedures and associated findings are as follows:

Procedure 1: We randomly selected and traced 200 expenditure amounts from the Expenditures Data to the supporting documentation to confirm accuracy.

Finding 1: We identified four school systems where not all of the selected expenditure amounts were supported by sufficient documentation. The results of this procedure are listed below.

Procedure 1 - Expenditures Data				
School System Number	Quantity of Expenditures Selected	Total Amount of Expenditures Selected	Quantity of Expenditures Not Supported	Total Amount of Expenditures Not Supported
1	N/A	N/A	N/A	N/A
2	200	\$1,231,809	0	\$0
3	200	605,269	9	74,995
4	200	1,000,512	0	0
5	200	529,500	4	7,239
6	200	2,311,142	1	4,077
7	200	424,834	13	3,282
8	N/A	N/A	N/A	N/A
9	200	880,615	0	0
10	N/A	N/A	N/A	N/A

Procedure 2: We randomly selected and traced five contract amounts from the Contracts Data to the supporting documentation to confirm accuracy.

Finding 2: We identified three school systems where not all of the selected contract amounts were supported by sufficient documentation. The results of this procedure are listed below.

Procedure 2 - Contracts Data				
School System Number	Quantity of Contracts Selected	Total Amount of Contracts Selected	Quantity of Contracts Not Supported	Total Amount of Contracts Not Supported
1	N/A	N/A	N/A	N/A
2	5	\$572,584	2	\$501,700
3	5	5,697,495	0	0
4	5	442,447	0	0
5	5	87,925	4	84,925
6	5	41,026,294	0	0
7	5	371,139	4	366,739
8	N/A	N/A	N/A	N/A
9	5	4,496,338	0	0
10	N/A	N/A	N/A	N/A

Procedure 3: We randomly selected 200 expenditures from the Expenditures Data to confirm that the object code and function code for the selected expenditure is consistent with the Louisiana Accounting & Uniform Governmental Handbook (LAUGH).

Finding 3: The results of this procedure are listed below.

Procedure 3 - Expenditure Classification					
School System Number	Quantity of Expenditures Selected	Total Amount of Expenditures Selected	Quantity of Expenditures Not Supported	Total Amount of Expenditures Not Supported	Comment
1	N/A	N/A	N/A	N/A	N/A
2	No Sample Selected	\$0	0	\$0	The object codes and function codes were not included for any of the expenditures in accordance with LAUGH requirements.
3	200	\$249,844	200	\$249,844	The object codes and function codes for all 200 expenditures selected were not consistent with LAUGH requirements.
4	No Sample Selected	\$0	0	\$0	The object codes and function codes were not included for all expenditures in accordance with LAUGH requirements.
5	No Sample Selected	\$0	0	\$0	The object codes and function codes were not included for any of the expenditures in accordance with LAUGH requirements.
6	No Sample Selected	\$0	0	\$0	The object codes and function codes were not included for all expenditures in accordance with LAUGH requirements.
7	No Sample Selected	\$0	0	\$0	The object codes and function codes were not included for any of the expenditures in accordance with LAUGH requirements.
8	N/A	N/A	N/A	N/A	N/A
9	No Sample Selected	\$0	0	\$0	The object codes and function codes were not included for any of the expenditures in accordance with LAUGH requirements.
10	N/A	N/A	N/A	N/A	N/A

Procedure 4: We compared the total annual expenditures reported in the Annual Budget Data to the total expenditures reported in the Expenditure Data and identified any variances.

Finding 4: The results of this procedure are listed below.

Procedure 4 - Annual Budget Data			
School System Number	Expenditures Reported in Annual Budget Data	Expenditures Reported in Expenditure Data	Variance
1	N/A	N/A	N/A
2	\$490,280,618	\$313,729,185	\$176,551,433
3	850,434,134	912,865,430	62,431,296
4	834,071,937	961,832,179	127,760,242
5	6,050,418	6,190,166	139,748
6	477,739,059	599,001,613	121,262,554
7	14,087,015	14,139,394	52,379
8	N/A	N/A	N/A
9	312,085,750	266,106,028	45,979,722
10	N/A	N/A	N/A

We were engaged by Treasury management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the applicable attestation standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not conduct, an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Financial Information. 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 Treasury and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to present the procedures performed and the results of those procedures, and is not intended for any other purpose. This report is intended solely for the information and use of Treasury management, and is not intended to be, and should not be, used by anyone other than this specified party. By provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

BACKGROUND

The Louisiana Department of Treasury (Treasury) is the state agency responsible for posting financial information for each public school system to its website under the authority granted to it by Act No. 370 of the 2023 Regular Legislative Session.

Act No. 370 requires public school systems to report financial information to Treasury including detailed expenditure data about: purchases of goods and services for instruction, instructional support, legal services, audit services, general administration costs, construction, maintenance, transportation, information technology, professional services, technical services, land acquisition, supplies, and other costs. School Systems are also required to report information to Treasury on all contracts, including the identity of the vendor and purpose associated with each contract.

Public school systems submitted financial information to Treasury on templates provided by Treasury. Treasury reviewed the information that was submitted to determine if the information was submitted in an acceptable format.

After Treasury's review and approval, the LLA engagement team performed specific procedures on the financial information and reported all findings to Treasury management.

MANAGEMENT'S RESPONSE



John Fleming, MD
LOUISIANA STATE TREASURER

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Post Office Box 44154
Baton Rouge, LA 70804

September 30, 2026

VIA EMAIL

Mr. Michael Waguespack
Legislative Auditor
1600 N. 3rd Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Waguespack:

Thank you for your willingness to assist the Louisiana Department of Treasury (Treasury) concerning the sufficiency of financial information submitted to Treasury by K-12 public and charter school systems as required by Act 370 of the 2023 Regular Session. The Department of Treasury requested your assistance to ensure data reported on Treasury's website met the requirements outlined below. We concur with your findings that data submitted to the site may be inconsistent with state guidelines concerning the classification of expenditures and all expenditure data may not be included.

Act 370, authored by Sen. Rick Edmonds and enacted on August 1, 2023, establishes a financial transparency website housed in the Department of Treasury and requires:

- K-12 public and charter school systems to report financial data to the Department of Treasury on a semiannual basis.
- Reporting of all expenditures, contracts (including salaries), budget, and actuals without limitation.
- Data to be reported in accordance with the Louisiana Accounting and Uniform Governmental Handbook (LAUGH) guide, the state's guide for classifying financial activities of K-12 systems.
- The Department of Treasury to post the data on a public website on March 31st and September 30th of each year.

To date, the Department of Treasury has posted data for three reporting periods and is currently reviewing data for the 4th reporting period (January 1, 2026 – June 30, 2026).

Compliance Rates

Below is a chart of compliance rates for the most recent reporting period, July 1, 2025 – December 31, 2025. Systems that submit incomplete information are listed as “On Hold” until required data is submitted and approved for upload. At the request of Jefferson and Orleans Parish systems, charter schools within those systems may submit data to the Department of Treasury independently from the school district. Compliance rates for those schools/systems are listed in separate columns.

SUBMISSION STATUS	LOCAL	CHARTER	JEFFERSON	ORLEANS	TOTAL
Complete	43	42	7	35	129
On Hold	17	4	0	2	21
No Submission	9	2	0	3	14
TOTAL SYSTEMS	69	48	7	40	164

SUBMISSION STATUS	LOCAL	CHARTER	JEFFERSON	ORLEANS	TOTAL %
Completed Rate	62.3%	87.5%	100.0%	87.5%	78.7%
On Hold Rate	24.6%	8.3%	0.0%	5.0%	12.8%
No Submission Rate	13.0%	4.2%	0.0%	7.5%	8.5%
		TOTAL			100.0%

Two schools, Willow Charter Academy in Lafayette and Advantage Charter Academy in Baker, have not submitted detailed expenditure data, such as salary, wage, or other expenditures, citing the advice of their legal counsel.

Expenditure Summary for July 1, 2024 to December 31, 2025 Reporting

In addition to concerns raised in your report, my office noted approximately \$12.1 million in expenditures that may require further review. The referral of these expenditures does not constitute a finding or determination of noncompliance, impropriety, or wrongdoing. Rather, the referral is intended to facilitate further independent examination of the expenditures and any relevant supporting documentation. Additional information regarding these expenditures is provided below.

CATEGORY	JULY 1 - DECEMBER 31, 2025	JANUARY 1 - JUNE 30, 2025	JULY 1 - DECEMBER 31, 2024	TOTAL
Additional Payments to Employees	\$ 3,163,429.71	\$ 1,178,948.93	\$ 3,111,581.84	\$ 7,453,960.48
Fines/Tickets/Penalty	\$ 22,196.08	\$ 5,463.08	\$ 17,359.94	\$ 45,019.10
Gifts, Gifts Cards, Sponsorships	\$ 127,466.48	\$ 147,899.10	\$ 35,470.00	\$ 310,835.58
Highest Severance Payouts *	\$ 371,204.34	\$ 328,556.65	\$ 273,391.53	\$ 973,152.52
Holiday Parties & Décor	\$ 188,155.15		\$ 80,250.09	\$ 268,405.24
Lobbyist/Political	\$ 238,143.54	\$ 228,740.98	\$ 160,950.00	\$ 627,834.52
Meal Delivery (DoorDash/Uber Eats)	\$ 70,904.60	\$ 61,663.44	\$ 43,272.96	\$ 175,841.00
Meals & Entertainment	\$ 328,692.83	\$ 348,610.60	\$ 410,401.05	\$ 1,087,704.48
Retreats & Large Special Events	\$ 237,752.27	\$ 200,994.25	\$ 253,253.73	\$ 692,000.25
Other (ex. Bayou Classic Suite)	\$ 28,662.01	\$ 22,783.05	\$ 41,541.17	\$ 92,986.23
Possible Donations	\$ 109,202.99	\$ 32,770.67	\$ 25,150.00	\$ 167,123.66
Recruiting/Search Fees/International Trips	\$ 60,850.00	\$ 51,396.01	\$ 71,785.37	\$ 184,031.38
TOTALS	\$ 4,946,660.00	\$ 2,607,826.76	\$ 4,524,407.68	\$ 12,078,894.44
Deposits	\$ 745,229.60	\$ 1,068,447.44	\$ 562,054.83	\$ 2,375,731.87
CMO Transfers	\$ 30,872,107.43	\$ 39,429,050.02	\$ 37,651,201.05	\$ 107,952,358.50
Friends Organizations	\$ 2,768,695.37	\$ 2,219,347.97	\$ 3,666,344.87	\$ 8,654,388.21

Additional Detail by Category

CATEGORY	JULY 1 - DECEMBER 31, 2025	JANUARY 1 - JUNE 30, 2025	JULY 1 - DECEMBER 31, 2024	TOTAL
Additional Payments to Employees	\$ 3,163,429.71	\$ 1,178,948.93	\$ 3,111,581.84	\$ 7,453,960.48

- Additional payments made to employees totaling \$7.5M were noted, often described as bonuses. These payments appear to be in addition to the employee's base salary and BESE-authorized one-time stipend payments.
- On July 30, 2025, the Fiscal Review Committee (comprised of the Legislative Auditor, the Attorney General, and the Treasurer) recommended the Madison Parish School Board be placed in fiscal administration due in part to the "excessive dollar amount of stipends paid to employees" and payment of raises and/or additional salary adjustments.
- On January 14, 2026, the Louisiana Legislative Auditor released an investigative audit of the Orleans Parish Charter School – Noble Minds noting incentive payments totaling \$168,425 were issued to employees between December 2024 and June 2025. The audit noted Louisiana Attorney General (AG) Opinion #15-0130 which provides in part "payment of a bonus as a reward for the employee's performance of his or her normal duties" would be prohibited by the Louisiana Constitution.
- In addition to expenditure payroll data, school systems submit summarized annual payroll actual data to the Department of Education by June 30th of each year, known as the Profile of Educational Personnel (PEP) report. The Department of Treasury utilizes this data to report total annual wages paid to each K-12 employee. Some additional compensation payments do not appear to be included in the PEP report. In addition, Treasury noted three employees listed as teachers or teacher's aides with salaries above \$150,000 may be miscoded. Combined those salaries totaled \$622,820.

CATEGORY	JULY 1 - DECEMBER 31, 2025	JANUARY 1 - JUNE 30, 2025	JULY 1 - DECEMBER 31, 2024	TOTAL
Fines/Tickets/Penalty	\$ 22,196.08	\$ 5,463.08	\$ 17,359.94	\$ 45,019.10

- \$45K in payments made for parking tickets, traffic tickets, boot releases, late fees, and other fees or penalties.
- Penalties and late fees are generally disallowed uses of public funds.

CATEGORY	JULY 1 - DECEMBER 31, 2025	JANUARY 1 - JUNE 30, 2025	JULY 1 - DECEMBER 31, 2024	TOTAL
Gifts, Gifts Cards, Sponsorships	\$ 127,466.48	\$ 147,899.10	\$ 35,470.00	\$ 310,835.58

- \$311K in payments with some noted as gifts/gift cards/or sponsorships.
- Gift card purchases include Regions Bank, Amazon, Rouses, Giftcards.com, Starbucks, Sonic, and Airbnb, often noted as employee or staff appreciation gifts.
- Gifts include items purchased from Bath and Body Works and Lululemon Athletica, various floral purchases noted as staff appreciation flowers, and various vendors noted as Christmas gifts.
- Sponsorships include Jack and Jill of America, Christmas in the Sky, Perkin Hockey Group (Monroe's Professional Hockey Team), Rotary Club of Gonzales, and Creole Heritage, Inc.
- Gifts, gift cards, and sponsorships are generally disallowed uses of public funds.

CATEGORY	JULY 1 - DECEMBER 31, 2025	JANUARY 1 - JUNE 30, 2025	JULY 1 - DECEMBER 31, 2024	TOTAL
Highest Severance Payouts	\$ 371,204.34	\$ 328,556.65	\$ 273,391.53	\$ 973,152.52

- Treasury noted 18 employees with severance payments ranging from a low of \$33K to a high of \$115K.
- The data suggests the payments may be excessive as severance payments are generally subject to certain limitations.

CATEGORY	JULY 1 - DECEMBER 31, 2025	JANUARY 1 - JUNE 30, 2025	JULY 1 - DECEMBER 31, 2024	TOTAL
Lobbyist/Political	\$ 238,143.54	\$ 228,740.98	\$ 160,950.00	\$ 627,834.52

- \$628K in payments made payable to lobbying firms or described as governmental relations and/or events.
- Lobbying is a disallowable use of public funds.

CATEGORY	JULY 1 - DECEMBER 31, 2025	JANUARY 1 - JUNE 30, 2025	JULY 1 - DECEMBER 31, 2024	TOTAL
Meal Delivery (DoorDash/Uber Eats)	\$ 70,904.60	\$ 61,663.44	\$ 43,272.96	\$ 175,841.00
Meals & Entertainment	\$ 328,692.83	\$ 348,610.60	\$ 410,401.05	\$ 1,087,704.48
Retreats & Large Special Events	\$ 237,752.27	\$ 200,994.25	\$ 253,253.73	\$ 692,000.25
Other (ex. Bayou Classic Suite)	\$ 28,662.01	\$ 22,783.05	\$ 41,541.17	\$ 92,986.23

- \$2M in payments to restaurants, bars, special events, retreats, and food purchases.
- Over \$1M in Meals & Entertainment including purchases made at Gautreau's Restaurant, The Velvet Cactus, Commander's Palace, Los Jefes Grill, Justini Cocktails, Blue Fish Crawfish Hotel, Ralph's on the Park, Martin's Wine Cellar, Bayou Beer Garden, Superior Grill, and the Elysian Bar.
- \$692K in Retreats & Large Special Events noted as leadership retreats or summits at venues local to the school district including the Sheraton Hotel New Orleans, White House Hotel, and Red Stick Social.
- Over \$92K in misc. expenditures including the purchase of Bayou Classic Suite tickets, Delta Foundation Brunch Table, Spa Flow, Tour the Break Session, and purchase of tickets from the Zulu Social Aid and Pleasure Club.
- On January 14, 2026, the Louisiana Legislative Auditor released an investigative audit of the Orleans Parish Charter School – Noble Minds noting \$25,585 in payments from public funds for holiday parties, Mardi Gras parade passes, and other special events. The audit noted several AG Opinions that address employee meals and parties and generally consider such expenditures an improper use of public funds.

CATEGORY	JULY 1 - DECEMBER 31, 2025	JANUARY 1 - JUNE 30, 2025	JULY 1 - DECEMBER 31, 2024	TOTAL
Recruiting/Search Fees/International Trips	\$ 60,850.00	\$ 51,396.01	\$ 71,785.37	\$ 184,031.38

- The use of public funds for international travel is generally disallowed without special permission.

CATEGORY	JULY 1 - DECEMBER 31, 2025	JANUARY 1 - JUNE 30, 2025	JULY 1 - DECEMBER 31, 2024	TOTAL
Deposits	\$ 745,229.60	\$ 1,068,447.44	\$ 562,054.83	\$ 2,375,731.87
CMO Transfers	\$ 30,872,107.43	\$ 39,429,050.02	\$ 37,651,201.05	\$ 107,952,358.50
Friends Organizations	\$ 2,768,695.37	\$ 2,219,347.97	\$ 3,666,344.87	\$ 8,654,388.21

- Concerns about the movement of money between related organizations and lack of detail for these expenditures.
- On February 5, 2025, the Louisiana Legislative Auditor released an investigative audit of the East Baton Rouge Charter School – Education Explosion, Inc. d/b/a Impact Charter School. The audit found Chakesha Scott, the Chief Executive Officer, diverted \$1.5M in school funds to a non-profit Friends of Impact Charter School account she controlled and diverted \$171,659 to a third party on behalf of the Friends of Impact Charter School. Mrs. Scott served as the Chief Executive Officer of Education Explosion, while her husband Eric Scott served as the principal of Impact Charter School. The audit found the diverted funds were in part used to make purchases for the benefit of Mrs. Scott and her family. Those purchases included:

- Work performed at the Scott's personal residence, including the installation of an in-ground swimming pool (\$105,997)
- Lease/purchase of a 2017 Acura MDX and a 2021 Land Rover Velar (\$166,520)
- Travel expenses for Mrs. Scott and her family (\$130,494)
- Purchase of a Louis Vuitton handbag (\$6,099)
- Purchase of a 2018 Tesla Model S (\$42,371)

Thank you again for your report and assistance. I look forward to continuing to work with you, the Attorney General's Office, the Office of the Commissioner, and the Department of Education to ensure compliance with Act 370 and all applicable state laws.

Please let me know if I can provide additional information.

Sincerely,



John Fleming, MD
State Treasurer