EDUCATION EXPLOSION, INC. d/b/a
IMPACT CHARTER SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Education Explosion, Inc. d/b/a
Impact Charter School
Baker, LA

Disclaimer of Opinion

We were engaged to audit the financial statements of Education Explosion, Inc. (a nonprofit organization) d/b/a Impact Charter School (hereafter The School), 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.

We do not express an opinion on the accompanying financial statements of The School. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

The LLA issued a public report on February 5, 2025, identifying significant internal control deficiencies and financial irregularities involving former senior management. Following these events, The School's Board of Directors and Chief Executive Officer were replaced by appointees of the Louisiana Board of Elementary and Secondary Education. The previous Chief Executive Officer is denying these claims and has denied management access to the financial records and bank accounts. We were unable to obtain any supporting documentation to provide reasonable assurance that the financial statements are reasonably stated.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The School'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 responsibility is to conduct an audit of The School's financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditors' report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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We are required to be independent of The School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the Schedule of Compensation, Benefits, and Other Payments to the Agency Heads is not a required part of the financial statements, but is required by Louisiana Revised Statute 24:513 A.(3) and is presented for purposes of additional analysis. 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2026, on our consideration of The School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The School's internal control over financial reporting and compliance.

Daigrepont & Brian APAC

Daigrepont & Brian, APAC
Baton Rouge, LA
June 25, 2026

IMPACT CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS	
Current Assets	
Cash	$ 623,130
Grants receivable, net	147,094
Prepaid expenses	12,179
Total Current Assets	782,403
Leasehold Improvements	172,164
Other Assets	
Other receivable - held by former administration	2,830,041
Total Other Assets	2,830,041
Total Assets	$ 3,784,608
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	$ 481,567
Accrued salaries and benefits	330,620
Total Current Liabilities	812,187
Total Liabilities	812,187
Net Assets	
Without donor restrictions	2,897,767
With donor restrictions	74,654
Total Net Assets	2,972,421
Total Liabilities and Net Assets	$ 3,784,608

See accompanying notes and independent auditors' report.

IMPACT CHARTER SCHOOL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Minimum Foundation Program	$ 2,157,071	$ -	$ 2,157,071
Federal grants	608,646	-	608,646
State grants	86,259	-	86,259
Gain on disposal	325,775	-	325,775
Student activities	174,730	-	174,730
Other	5,044	-	5,044
Total Revenues	3,357,525	-	3,357,525
EXPENSES			
Program expenses:	1,897,150	-	1,897,150
General and administrative:	992,220	-	992,220
Total Expenses	2,889,370	-	2,889,370
CHANGE IN NET ASSETS	468,155	-	468,155
Net assets - beginning of year	2,429,612	74,654	2,504,266
Net assets - end of year	$ 2,897,767	$ 74,654	$ 2,972,421

See accompanying notes and independent auditors' report.

IMPACT CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Expenses	General & Administrative	Total
Curriculum materials and software	$ 47,618	$ -	$ 47,618
Employee benefits	77,166	16,743	93,909
Food service	55,640	-	55,640
Insurance	57,102	9,311	66,413
Misc. expenses	1,489	13,399	14,888
Payroll taxes	101,757	22,079	123,836
Rent	12,140	48,562	60,702
Repairs and maintenance	207,570	51,893	259,463
Salaries	1,086,328	235,707	1,322,035
Supplies	1,687	15,186	16,873
Technical and professional services	101,800	564,919	666,719
Transportation	132,432	-	132,432
Utilities	14,421	14,421	28,842
	$ 1,897,150	$ 992,220	$ 2,889,370

See accompanying notes and independent auditors' report.

IMPACT CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	$ 468,155
Adjustments to reconcile net revenues over expenses to net cash used in operating activities:	
Gain on disposals	(325,775)
Decrease in grants receivable	293,588
Increase in other receivables	(2,830,041)
Decrease in prepaid expenses	162
Increase in accounts payable	390,799
Increase in accrued salaries and benefits	156,140
Total adjustments	(2,315,127)
Net cash used in operating activities	(1,846,972)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(172,164)
Net cash used in investing activities	(172,164)
DECREASE IN CASH	(2,019,136)
CASH, BEGINNING OF YEAR	2,642,266
CASH, END OF YEAR	$ 623,130

See accompanying notes and independent auditors' report.

1. Summary of Significant Accounting Policies

(a) Organization

Education Explosion, Inc. d/b/a Impact Charter School (the School) was incorporated in November of 2009 as a non-profit corporation under the laws of the State of Louisiana. The school was approved as a Type 2 charter by the Louisiana State Board of Elementary Education (BESE). The charter school operating agreement was renewed in January of 2025, for a six year term that will expire on June 30, 2031.

(b) Basis of Accounting

The financial statements of the School have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the School to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met, either by actions of the organization, and/or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions. There are net assets with donor restrictions of $74,654 at year end. The remaining restrictions will be satisfied as costs are incurred in fulfillment of donor stipulations.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

(c) Revenues

The School receives the majority of its revenue from the Minimum Foundation Program (MFP). The amount of the MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes. The allocation calculation is primarily based on the student enrollment at the School and is recognized monthly when received.

Federal and state funds are passed through the Louisiana Department of Education. The School's federal grant funding is on a cost reimbursement basis and is recognized as earned once the expenditures have been incurred, at which time all performance obligations have also been satisfied.

Revenue from other sources, including student activities, tuition and fees are recorded and recognized as revenue in the period in which the School provides the service at the amount that reflects the consideration to which the School expects to be entitled for providing the service or good.

The School receives private funding in the form of contributions and grants from various entities. Contributions are recognized when an unconditional promise to give is received. Conditional promises to give, with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The School does not have any activity that would give rise to variable consideration.

1. Summary of Significant Accounting Policies (continued)

(d) Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. During the year, cash may consist of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes.

(e) Receivables

Grants receivable represent amounts due under federal and state grant programs and, at times, contributions. The grant programs are reimbursable in nature and revenue is recognized as a receivable once the expenditures are incurred.

Contributions are recognized at estimated fair value when the donor makes a pledge to give when it is an unconditional promise. The School does not recognize a conditional promise to give until the conditions upon which the promise depends are substantially met. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. Any discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Receivables are written off when deemed uncollectible by management and recoveries, if any, are recorded when received. There is no allowance recorded as of June 30, 2025.

(f) Functional Expenses

The School allocates its expenses on a functional basis between program service or general and administrative. Expenses that can be identified with the school curriculum are allocated directly according to their natural expense classification. Other expenses are allocated between program service and general and administrative based on management's estimate of time, percentage, or square footage used, among other factors.

(g) Income Taxes

The School accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes* . Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The School files information returns in the U.S. federal jurisdiction. The School is not subject to U.S. federal income tax examinations by tax authorities beyond three years from the filing of those returns.

1. Summary of Significant Accounting Policies (continued)

(h) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Concentrations

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to $250,000. The School maintains cash in financial institutions which often exceed the FDIC limits. Management does not believe that it is exposed to any significant credit risk on uninsured amounts.

The School receives the majority of its operating revenue from the State of Louisiana in the form of MFP funding. The School also receives grants from federal agencies, state agencies, and private foundations. The percentage of revenue and receivables from these sources in excess of 10% is as follows:

	Revenue	Receivables
MFP	64%	N/A
Federal Grants	18%	100%

3. Commitments and Contingencies

The School receives grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the School's management that its compliance with the terms of the grant will not result in any disallowed costs.

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

4. Compensated Absences

Employees earn paid time off based on various factors such as length of service and job title. Any unused paid time off is paid out at the end of the year and does not carry over to the following year. Therefore, there are no compensated absences accrued at June 30, 2025.

5. Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to five years. The School's policy is to capitalize renewals and betterments acquired for greater than $5,000 and fixed assets that in aggregate are greater than $5,000. The School expenses normal repairs and maintenance as incurred.

All assets acquired with public funds are the property of the School for the duration of the charter. If the charter is revoked or surrendered, or the School otherwise ceases to operate, all assets purchased with public funds will automatically revert to full ownership by the State of LA or the appropriate agency.

6. Retirement Plan

The School offers a 403(b) retirement plan for eligible employees. Eligibility to participate in the plan is based on the employee's age, length of service, and various other factors. For those that are eligible, the School will match up to 3% of the employee's contributions annually. The School does not participate in the Teacher's Retirement System of Louisiana (TRSL). For the year ended June 30, 2025, the amounts paid related to the School's retirement plan were $2,283.

7. Liquidity and Availability of Financial Assets

The following reflects the School's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of a contractual or donor imposed restriction within one year of the statement of financial position date.

Financial Assets at Year End:		
Cash	$	623,130
Grants receivable, net		147,094
Net assets restricted for future use:		
Net assets with donor restrictions		(74,654)
Financial Assets Available for General Expenditures	$	695,570

As part of the School's liquidity management, cash is kept in various checking and savings accounts that can be accessed to meet daily needs of the organization.

8. Related Party Lease

Friends of Impact Charter Schools (Friends), a non-profit organization, was leasing the school building to the School for a portion of the year. This lease was terminated during March 2025, due to the matters discussed in footnote 10. The School moved to its current location in Baker Louisiana at this time. It is noteworthy that three members serving on the board of Friends also held positions on the board of the School. The lease agreement initially had a term of 50 years with monthly payments in the amount of $130,000.

9. Subsequent Event

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through June 25, 2026, which is the date the financial statements were available to be issued.

10. Louisiana Legislative Auditor Investigation and Findings

On February 5, 2025, the LLA issued a public report identifying significant internal control deficiencies and alleged financial irregularities involving former senior management. As a result of the findings, the BESE replaced the School's Board of Directors and appointed a new Chief Executive Officer.

Following the governance changes implemented as a result of the LLA's findings, the former Chief Executive Officer initiated litigation contesting her removal and the reconstitution of the Board of Directors. This matter is currently in litigation. An estimate of the losses, if any, cannot be estimated as of date of the auditors' report.

Due to these events, the School experienced restricted access to historical financial records, which impacted the audit procedures necessary to complete the audit for the year ended June 30, 2025.

11. Other Receivable - Held by Former Administration

At June 30, 2025, the School recorded an other receivable of $2,830,041, representing funds that management believes belong to the School but were held in accounts and/or otherwise controlled by former administration and are not currently accessible by the School's duly authorized governing board and current management.

The receivable arose from actions taken under prior administration involving school-related cash funds deposited into accounts that were not under the control of the School's current authorized representatives. As of the statement of financial position date, the financial institution had not provided current management with access to certain balances, and accordingly the School has not classified these amounts as cash and cash equivalents.

Management believes the School has a valid claim to these funds and is pursuing recovery through administrative, legal, and other available means. The ultimate resolution of this matter is subject to uncertainty, including the outcome of legal and regulatory proceedings, actions involving former management and/or related parties, and the ability to obtain control over or recover the underlying funds.

Management has evaluated the receivable for collectability and recorded no allowance. This evaluation was based on information known as of the report date, including the status of recovery efforts, legal developments, and other relevant facts and circumstances. Because the matter remains unresolved, actual recovery may differ materially from the amount recorded.

IMPACT CHARTER SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE AGENCY HEADS
FOR THE YEAR ENDED JUNE 30, 2025

CEO: July 1, 2024 - March 7, 2025	Dr. Chakesha Scott
Salary	$ 174,685
Benefits - Retirement Match	5,689
Benefits - FICA and Medicare	9,297
	$ 189,671

Superintendent: March 7, 2025 - June 30, 2025	Dr. M. Clayton
Salary	$ 80,000
Benefits - FICA and Medicare	6,120
	$ 86,120

See accompanying notes and independent auditors' report.

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

To the Board of Directors
Education Explosion, Inc. d/b/a
Impact Charter School
Baker, LA

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 Education Explosion, Inc. (a nonprofit Organization) d/b/a Impact Charter School (hereafter The School), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The School'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2025-003.

The School's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on The School's response to the findings identified in our audit and described in the accompanying schedule of findings. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. This report is intended solely for the information and use of the audit committee, management, and others within the organization, the Legislative Auditor, and the federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Daigrepont & Brian APAC

Daigrepont & Brian, APAC
Baton Rouge, LA
June 25, 2026

IMPACT CHARTER SCHOOL
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

We have audited the financial statements of Education Explosions, Inc. d/b/a Impact Charter School as of June 30, 2025, and for the year then ended, and have issued our report thereon dated June 25, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2025 resulted in a disclaimer of opinion.

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control				
Material Weaknesses	Yes	X	No	
Significant Deficiencies	Yes		No	X
Compliance with Provisions of Laws, Regulation, Contracts or Grant Agreements	Yes	X	No	

<u>Findings - Financial Statement Audit</u>

Finding 2025-001: Disclaimer of Opinion Due to Scope Limitation

Criteria:
Auditors are required to obtain sufficient appropriate audit evidence to support the financial statements, in accordance with generally accepted auditing standards.

Condition:
We were unable to obtain sufficient appropriate audit evidence due to restricted access to historical financial records. These limitations resulted from the Organization's governance changes, management turnover, and litigation involving former leadership.

Cause:
The Organization experienced a change in leadership following findings from the Louisiana Legislative Auditor. New management was unable to access certain records held under prior management. Efforts to obtain these records were unsuccessful.

Effect:
We were unable to complete audit procedures necessary to support the financial statements. As a result, we issued a disclaimer of opinion for the year ended June 30, 2025.

Recommendation:
The Organization should establish and enforce documentation retention policies and governance continuity procedures to ensure financial records remain accessible through periods of transition.

Views of Responsible Officials:
The Organization concurs with the finding and is implementing internal controls and retention policies to prevent future access limitations

See accompanying notes and independent auditors' report.

IMPACT CHARTER SCHOOL
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

Finding 2025-02 Louisiana Legislative Auditors Investigation

Criteria:
Public funds allocated to Education Explosion, Inc. are intended solely for school-related purposes in accordance with state and federal laws, the Louisiana Constitution, and Education Explosion's internal governance and board oversight. All financial transactions must be transparent, authorized by the Board of Directors, and in line with approved budgets and ethical standards.

Condition:
The Chief Executive Officer engaged in multiple unauthorized and improper financial activities. These include:

- Diverting over $1.5 million from Education Explosion to a nonprofit she controlled and another $171,659 to third parties.
- Redirecting student and parent fee payments (over $221,000) to accounts outside of the school's purview, including personal accounts.
- Receiving shared proceeds from school contracts.
- Using school funds for personal home construction, travel, vehicle purchases/leases, and education expenses.
- Employing school funds for the benefit of a building not owned by the school and withholding audit-relevant documentation.

Cause:
These irregularities appear to have occurred due to:

- Lack of internal financial oversight and insufficient Board monitoring.
- Concentration of financial authority in the CEO's role without adequate checks and balances.
- Misrepresentation and/or nondisclosure of critical financial transactions to the Board.
- Weak or circumvented internal controls over procurement, financial disbursements, and personal reimbursements.

Effect:
Public funds amounting to over $2 million may have been misappropriated.

- Funds were used for non-educational and personal expenses including vehicles, vacations, personal education, and home improvements.
- Education Explosion's reputation, financial integrity, and compliance standing are compromised.
- Legal violations may have occurred, including breaches of the Louisiana Constitution and potential violations of state and federal laws, exposing the school and individuals to legal consequences.
- Undermined public trust in the governance of charter schools and misuse of taxpayer money.

Finding 2025-02 Louisiana Legislative Auditors Investigation (Continued)

Recommendation:
Referral of findings to appropriate legal authorities for potential criminal prosecution.

- Recovery actions initiated for all unauthorized expenditures, including restitution from responsible individuals.
- Strengthen internal controls, including:
- Mandatory dual-authorization for all financial disbursements.
  - Independent review of contracts and large expenditures.
  - Regular Board financial oversight and internal audits.
  - Institute clear conflict of interest policies and Board training on fiduciary responsibilities.
- Require full disclosure of all affiliated organizations and personal financial interests of senior leadership.

Views of Responsible Officials:
The summary notes that CEO withheld certain records and claimed ownership by a nonprofit she controlled as justification. Official responses to specific allegations, including any rebuttals or clarifications from CEO or other implicated parties, are stated to be available in the full report published on the Louisiana Legislative Auditor's website. However, as per this summary, no adequate justification was provided for the financial diversions and personal benefit transactions.

Finding 2025-03 Unresolved prior-year grant compliance matter

Criteria:
Management is responsible for taking timely corrective action on audit findings and for resolving the questioned or unsupported costs with the applicable agencies as identified in the June 30, 2024 financial statements.

Condition:
A compliance matter reported in the June 30, 2024 audit as questioned costs related to various grants remained unresolved as of June 30, 2025. Specifically, the School has not yet obtained grantor approval, completed required documentation, repaid questioned amounts, or otherwise resolved the matter.

Cause:
The Organization experienced a change in leadership following findings from the Louisiana Legislative Auditor. New management was unable to access certain records held under prior management. Efforts to obtain these records were unsuccessful.

Effect:
Until the matter is resolved with the applicable grantor agencies, the School may remain subject to repayment, disallowance, reimbursement adjustment, or other grant-related consequences. In addition, the unresolved matter indicates that corrective action over the prior-year finding has not been fully completed.

Recommendation:
We recommend that management continue corrective action and work with the applicable grantor agencies and the prior administration to obtain final resolution of the June 30, 2024 matter, including repayment or formal disposition if required, and retain documentation of that resolution.

Finding 2025-03 Unresolved prior-year grant compliance matter (Continued)

Views of responsible officials and planned corrective action:
The summary notes that CEO withheld certain records and claimed ownership by a nonprofit she controlled as justification. Official responses to specific allegations, including any rebuttals or clarifications from CEO or other implicated parties, are stated to be available in the full report published on the Louisiana Legislative Auditor’s website. However, as per this summary, no adequate justification was provided for the financial diversions and personal benefit transactions.

IMPACT CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Summary of Prior Audit Findings

2024-001 - Disclaimer of Opinion Due to Scope Limitation

Status: The finding related to issuance of a disclaimer of opinion has not been resolved and has been indicated as finding 2025-001 in the accompanying schedule of findings for the year ended June 30, 2025.

2024-002 - Untimely Filing of Audit Report (R.S. 24:513 Noncompliance)

Status: The finding related to noncompliance with the audit law has been resolved for the year ended June 30, 2025.

2024-003 - Louisiana Legislative Auditors Investigation

Status: The finding related to Louisiana Legislative Auditor's ongoing investigation has not been resolved and has been indicated as finding 2025-002 in the accompanying schedule of findings for the year ended June 30, 2025.

Questioned Costs

The total questioned costs as of June 30, 2024 are as follows:

Category	Amount
Funds diverted to a nonprofit prior CEO controlled & third parties	$ 1,675,927
Parent/student payments misappropriated	221,506
Undeposited cash fees	71,487
Proceeds shared by contractor	50,625
Overbilling/personal residence construction	105,997
Landscaping for CEO's residence	5,156
Excess personal travel expenses	114,094
Personal vehicle-related expenses	166,520
Building improvements (non-school property)	129,493
Personal education/cleaning/training charges	88,607
Total Questioned Costs	$ 2,629,412

These questioned costs have not been resolved for the year ended June 30, 2025, and are repeated as finding 2025-003.

See accompanying notes and independent auditors' report.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Education Explosion, Inc. d/b/a
Impact Charter School

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Education Explosion, Inc. (a non-profit organization) d/b/a Impact Charter School (hereafter Impact Charter School) for the fiscal year ended to determine whether the specified schedules are free of obvious errors and missions, in compliance with Louisiana Revised Statute 24:514 I. Management of Impact Charter School is responsible for its performance and statistical data.

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

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

Procedure #1

We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

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

Exception: We were unable to obtain supporting documentation for any transactions selected.

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contact@dnbcpas.com

Class Size Characteristics (Schedule 2)

Procedure #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.

Results: No exceptions were noted as a result of applying these procedures.

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

Procedure #3

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

Exception: We were unable to obtain the October 1st PEP data.

Public School Staff Data: Average Salaries (No Schedule)

Procedure #4

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

Exception: We were unable to obtain supporting documentation for any of the individuals employed by the School.

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

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

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

Daigrepont & Brian APAC

Daigrepont & Brian
Baton Rouge, LA

June 25, 2026

IMPACT CHARTER SCHOOL
BAKER, LA

Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)
As of and for the Year Ended June 30, 2025

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. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

IMPACT CHARTER SCHOOL
BAKER, LA

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2025

Management has not presented this schedule in the accompanying supplementary information because the School was removed from the State's Annual Financial Report, as the School did not have access to the applicable fund balance information necessary to prepare the schedule from complete and reliable records. See Finding 2025-001: Disclaimer of Opinion Due to Scope Limitation described in the June 30, 2025 Schedule of Findings.

IMPACT CHARTER SCHOOL
BAKER, LA

Class Size Characteristics
As of October 1, 2024

	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	21%	25	79%	92	0%	-	5%	0
Elementary Activity Classes	29%	7	71%	17				
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

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

Daigrepont & Brian
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Education Explosion, Inc. d/b/a
Impact Charter School
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. Education Explosion, Inc. d/b/a Impact Charter School's (hereafter The School) management is responsible for those C/C areas identified in the SAUPs.

The School 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 LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, 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. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity'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, (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.

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) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

h) ***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).

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 entity'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) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

Board or Finance Committee

2. Obtain and inspect 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) Observe that 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) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

d) Observe 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.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

   a) Bank reconciliations include 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 include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

   c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe 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.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   a) Observe that receipts are sequentially pre-numbered.

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) Observe 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) Trace the actual deposit per the bank statement to the general ledger.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe 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.

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

   e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (ETF), wire transfer, or some other electronic means.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity'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 entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

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

12. Obtain 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. Obtain management's representation that the listing is complete.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    a) Observe whether there is evidence that the monthly statement or combined 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) Observe that finance charges and late fees were not assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is 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 missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 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, observe 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, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

Contracts

16. Obtain 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

   a) Observe 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) Observe 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), observe 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, was approval documented).

   d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

   a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

20. Obtain 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.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

    a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

    b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration.

Debt Service

23. 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 State Bond Commission approval was obtained for each debt instrument issued.

24. 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).

Results: The School is a nonprofit organization so this procedure does not apply.

Fraud Notice

25. 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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
26. Observe the entity 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.

Exception: We were unable to perform these procedures due to access to records being restricted by the prior administration. We did note the notice required by R.S. 24:523.1 on the premises of the School, but were unable to find it included on the School's website.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
    a) Obtain and inspect the entity'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 observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
    b) Obtain and inspect the entity'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 observe evidence that the test/verification was successfully performed within the past 3 months.
    c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates 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.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees previously obtained. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
    a) Hired before June 9, 2020 - completed the training; and
    b) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: The School was in compliance with the procedures above in the prior year therefore the Louisiana Legislative Auditors testing requirements were not applicable for the year ended June 30, 2025.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

31. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe 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.

Results: The School is a nonprofit organization so this procedure does not apply.

We were engaged by The School 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 School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Daigrepont & Brian APAC

Daigrepont & Brian, APAC
Baton Rouge, LA

June 25, 2026