



Shreveport Charter Foundation, Inc.

FINANCIAL STATEMENTS

June 30, 2024 and 2023



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REPORT





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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Shreveport Charter Foundation, Inc.
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Shreveport Charter Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Shreveport Charter Foundation, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shreveport Charter Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shreveport Charter Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation Paid to the Board of Trustees, Schedule of Compensation, Benefits and Other Payments to Agency Head, Reconciliation of the Statement Financial Position to Fund Balance by Campus, and Reconciliation of the Statement of Activities to Change in Fund Balance by Campus are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2024, on our consideration of Shreveport Charter Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Shreveport Charter Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shreveport Charter Foundation, Inc.'s internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Shreveport, Louisiana
December 31, 2024



FINANCIAL STATEMENTS



Shreveport Charter Foundation, Inc.
Statements of Financial Position

<i>June 30,</i>	2024	2023
Assets		
Current assets		
Cash	\$ 2,746,009	\$ 2,003,085
Grant and other receivables	236,437	165,751
Due from other school	-	15,088
Prepaid expenses and other current assets	1,704	70,400
Total current assets	2,984,150	2,254,324
Property and equipment		
Real estate and buildings held under leases	28,813,183	28,813,183
Furniture, fixtures and equipment held under leases	1,810,821	1,810,821
Less: accumulated amortization	(12,841,483)	(11,710,518)
Furniture, fixtures and equipment	1,925,114	1,740,378
Less: accumulated depreciation	(1,653,857)	(1,423,100)
Net property and equipment	18,053,778	19,230,764
Other assets		
Deposits	35,533	50,470
Operating lease right-of-use assets, net	43,018	84,837
Total other assets	78,551	135,307
Total assets	\$ 21,116,479	\$ 21,620,395
Liabilities and Net Assets (Deficit)		
Current liabilities		
Accounts payable	24,535	190,131
Finance leases payable, current	661,223	577,489
Accrued expenses	886,682	781,371
Due to management company	937,669	799,944
Due to other schools	2,894	-
Current portion of operating lease liabilities	43,018	41,819
Total current liabilities	2,556,021	2,390,754
Long-term liabilities		
Interest payable	1,223,720	1,288,764
Finance leases payable, long-term	26,420,351	27,081,574
Operating lease liabilities, less current portion	-	43,018
Total long-term liabilities	27,644,071	28,413,356
Total liabilities	30,200,092	30,804,110
Net assets (deficit)		
Without donor restrictions	(9,083,613)	(9,183,715)
Total net assets (deficit)	(9,083,613)	(9,183,715)
Total liabilities and net assets (deficit)	\$ 21,116,479	\$ 21,620,395

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

Shreveport Charter Foundation, Inc.
Statement of Activities

<i>For the year ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Minimum Foundation Program	\$ 18,053,384	\$ -	\$ 18,053,384
Federal grants	1,417,931	-	1,417,931
Debt forgiveness	1,709,714	-	1,709,714
Other income	200,459	-	200,459
Total support and revenue	21,381,488	-	21,381,488
Expenses			
Program services			
Regular education	10,510,379	-	10,510,379
Special education	2,364,097	-	2,364,097
Other education	63,811	-	63,811
Supporting services			
Management and general	8,343,099	-	8,343,099
Total expenses	21,281,386	-	21,281,386
Change in net assets	100,102	-	100,102
Net assets (deficit), beginning of period	(9,183,715)	-	(9,183,715)
Net assets (deficit), end of period	\$ (9,083,613)	\$ -	\$ (9,083,613)

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

Shreveport Charter Foundation, Inc.
Statement of Activities

<i>For the year ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Minimum Foundation Program	\$ 15,934,185	\$ -	\$ 15,934,185
Federal grants	1,442,412	-	1,442,412
Debt forgiveness	1,788,073	-	1,788,073
Other income	169,350	-	169,350
Total support and revenue	19,334,020	-	19,334,020
Expenses			
Program services			
Regular education	9,654,359	-	9,654,359
Special education	2,171,500	-	2,171,500
Other education	61,938	-	61,938
Supporting services			
Management and general	7,799,563	-	7,799,563
Total expenses	19,687,360	-	19,687,360
Change in net assets	(353,340)	-	(353,340)
Net assets (deficit), beginning of period	(8,830,375)	-	(8,830,375)
Net assets (deficit), end of period	\$ (9,183,715)	\$ -	\$ (9,183,715)

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

Shreveport Charter Foundation, Inc.
Statement of Functional Expenses

For the Year Ended June 30,

2024

	Program Services				Supporting Services	Total Expenses
	Regular Education	Special Education	Other Education	Total Program Services	Management and General	
Salaries	\$ 4,419,063	\$ 1,257,284	\$ 52,617	\$ 5,728,964	\$ 633,823	\$ 6,362,787
Benefits	757,215	210,289	11,194	978,698	86,007	1,064,705
Professional services	-	-	-	-	528,399	528,399
Contracted and vendor services	915,945	156,870	-	1,072,815	3,179,378	4,252,193
Professional development	50,509	8,651	-	59,160	-	59,160
Supplies and materials	543,259	93,041	-	636,300	3,889	640,189
Utilities	435,794	74,637	-	510,431	26,733	537,164
Repairs and maintenance	961,648	164,698	-	1,126,346	137,487	1,263,833
Insurance	182,782	31,304	-	214,086	11,213	225,299
Rent	35,818	6,135	-	41,953	2,197	44,150
Interest	-	-	-	-	2,884,032	2,884,032
Depreciation and amortization	1,104,748	189,205	-	1,293,953	67,770	1,361,723
School board fees	303,726	52,019	-	355,745	-	355,745
Travel	54,801	9,385	-	64,186	18,635	82,821
Marketing and recruitment	9	2	-	11	909	920
Food service	706,325	103,944	-	810,269	8,185	818,454
Technology	720	123	-	843	245	1,088
Office expense	1,638	280	-	1,918	11	1,929
Student services	36,379	6,230	-	42,609	-	42,609
Other	-	-	-	-	754,186	754,186
Total Functional Expenses	\$ 10,510,379	\$ 2,364,097	\$ 63,811	\$ 12,938,287	\$ 8,343,099	\$ 21,281,386

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

Shreveport Charter Foundation, Inc.
Statement of Functional Expenses

For the Year Ended June 30,

2023

	Program Services				Supporting Services	Total Expenses
	Regular Education	Special Education	Other Education	Total Program Services	Management and General	
Salaries	\$ 3,953,393	\$ 1,124,794	\$ 47,072	\$ 5,125,259	\$ 567,030	\$ 5,692,289
Benefits	660,659	183,474	9,767	853,900	75,040	928,940
Professional services	-	-	-	-	422,198	422,198
Contracted and vendor services	753,506	129,050	-	882,556	2,615,527	3,498,083
Professional development	69,167	11,846	-	81,013	-	81,013
Supplies and materials	450,047	77,078	-	527,125	3,222	530,347
Utilities	381,212	65,289	-	446,501	23,385	469,886
Repairs and maintenance	919,914	157,550	-	1,077,464	131,520	1,208,984
Insurance	148,881	25,498	-	174,379	9,133	183,512
Rent	47,615	8,155	-	55,770	2,921	58,691
Interest	-	-	-	-	2,942,190	2,942,190
Depreciation and amortization	1,116,649	191,243	-	1,307,892	68,500	1,376,392
School board fees	271,692	46,532	-	318,224	-	318,224
Travel	82,203	14,078	-	96,281	27,953	124,234
Marketing and recruitment	1,274	218	-	1,492	124,329	125,821
Food service	637,131	109,119	5,099	751,349	-	751,349
Technology	123,359	21,127	-	144,486	41,947	186,433
Office expense	1,572	269	-	1,841	11	1,852
Student services	36,085	6,180	-	42,265	-	42,265
Other	-	-	-	-	744,657	744,657
Total Functional Expenses	\$ 9,654,359	\$ 2,171,500	\$ 61,938	\$ 11,887,797	\$ 7,799,563	\$ 19,687,360

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

Shreveport Charter Foundation, Inc.
Statements of Cash Flows

<i>For the years ended June 30,</i>	2024	2023
Operating Activities		
Change in net assets	\$ 100,102	\$ (353,340)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,361,723	1,376,392
Amortization of right-of-use assets	41,819	40,990
(Increase) decrease in		
Grant and other receivables	(70,686)	1,714
Due from management company	-	29,628
Due from other school	15,088	(15,088)
Prepaid expenses and other current assets	68,696	(12,069)
Deposits	14,937	(14,937)
Increase (decrease) in		
Accounts payable	(165,597)	111,460
Accrued expenses	105,311	217,358
Due to management company	137,725	799,944
Due to other schools	2,894	(14,474)
Interest payable	(65,044)	(39,293)
Operating lease liabilities	(41,819)	(40,990)
Net cash provided by (used in) operating activities	1,505,149	2,087,295
Investing Activities		
Purchase of property and equipment	(184,736)	(193,052)
Net cash provided by (used in) investing activities	(184,736)	(193,052)
Financing Activities		
Payments on finance leases	(577,489)	(501,780)
Net cash provided by (used in) financing activities	(577,489)	(501,780)
Net increase (decrease) in cash	742,924	1,392,463
Cash - beginning of period	2,003,085	610,622
Cash - end of period	\$ 2,746,009	\$ 2,003,085
Schedule of Noncash Transactions		
Lease liabilities arising from obtaining right-of-use assets		
Operating leases	\$ 84,837	\$ 125,786
Schedule of Certain Cash Flow Information		
Cash paid during the year for interest	\$ 2,818,988	\$ 2,942,190

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

Shreveport Charter Foundation, Inc. Notes to the Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Shreveport Charter Foundation, Inc. (the Foundation), a Louisiana nonprofit corporation, was formed on February 27, 2012, exclusively for educational purposes. The Foundation has entered into a Type 1 charter school contract with Caddo Parish School Board (CPSB) to operate the Magnolia School of Excellence (the Charter School) for students in Caddo Parish, Louisiana. The lower campus includes grades kindergarten through fifth grade. The upper campus includes grades six through twelve. The original charter agreement with CPSB dated February 5, 2013 was for an initial term of five years. The charter agreement was renewed for an additional three years in 2018. The second renewal of the charter contract was approved by the Caddo Parish School Board in 2021 for another three years.

The Foundation is an independent nonprofit entity, separate and distinct from the Caddo Parish School Board, the primary government and reporting entity. However, the Foundation is a component unit of CPSB and the Foundation's financial statements are included in the CPSB's basic financial statements as a component unit. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Foundation is included in the reporting entity because it is fiscally dependent on the CPSB for the majority of its revenue, and because exclusion would render the CPSB's financial statements incomplete or misleading.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash consists of demand deposit balances and represents cash available for general operating purposes. The Foundation classifies all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. The Foundation did not have any cash equivalents at June 30, 2024 and 2023.

Grant and Other Receivable

Grant and other receivables are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for an allowance for credit losses, as management believes all remaining receivables are fully collectible.

The Foundation received various state and federal grants to fund programs and operations. The grants are on a reimbursement basis and grants receivable at the year-end are stated at unpaid balances for expenditures incurred during the year.

Property and Equipment

Acquisitions of property and equipment and betterments of \$750 or more that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized at cost. Contributed property and equipment is recorded at fair value at the date of donation. Normal building maintenance and minor equipment purchases are included as expenses of the Foundation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives used in computing depreciation are as follows:

Buildings	20 – 30 Years
Leasehold improvements	5 – 15 Years
Furniture, fixtures and equipment	3 – 10 Years

Assets purchased with public funds will revert to the Louisiana Board of Elementary and Secondary Education at the time the Charter agreement is terminated.

Depreciation expense, which includes amortization expense of finance lease assets, incurred for the years ended June 30, 2024 and 2023, was \$1,361,723 and \$1,376,392 respectively.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Foundation leases the school buildings and substantially all of the furniture, fixtures and equipment utilized by the Charter School under leases as described in Note 6. The Foundation determines if an arrangement is a lease at inception. Operating leases as of June 30, 2024 and **2023**, are included in operating lease right-of-use (ROU) assets and operating lease liabilities the statements of financial position. Finance leases, as of June 30, 2024 and **2023**, are included in property and equipment and finance leases payable in the statements of financial of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the operating leases do not provide an implicit rate, the Foundation uses a risk-free rate based on the information available at commencement date in determining the present value of operating lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The assets and liabilities under finance leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are amortized (or depreciated) over the lower of the related lease terms or the estimated productive lives. Amortization (or depreciation) of assets under finance leases is included in depreciation and amortization expense.

The Foundation's lease agreements do not contain any material residual value guarantees.

Compensated Absences

Employees may accrue between 8 and 26 days per year of paid time off depending on length of service and classification. A maximum of 5 days (40 hours) of paid time off can be carried over from year to year. Earned but unused paid time off is eligible for payment upon separation from service up to a maximum of 40 hours. The liability for compensated absences includes salary-related benefits, where applicable.

Net Assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

A significant portion of the Foundation's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

The Foundation's primary source of funding is through the Minimum Foundation Program (MFP), passed through from CPSB and funded by the State Public School Fund. CPSB withholds 2% of the gross funding for the fiscal year.

Donated Assets

Noncash donations are recorded as contributions at their fair values at the date of donation.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

The majority of expenses reported in the financial statements can be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function, including depreciation and amortization, leadership salaries and the technology department, have been allocated among program and supporting services classifications based on estimates of time and effort and square footage.

Advertising Costs

The Foundation uses advertising to promote the schools among the population it serves. Advertising costs are charged to expense when incurred. Advertising, which is included in marketing and recruitment on the Statements of Functional Expenses, for the years ended June 30, 2024 and 2023 was approximately \$190,688 and \$125,821, respectively.

Income Taxes

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is also exempt from Louisiana state income taxes. However income, if any, from certain activities not directly related to the Foundation's tax exempt purpose is subject to taxation as unrelated business income.

The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2024 and 2023, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 31, 2024, and determined there were no subsequent events that occurred that required disclosure.

Shreveport Charter Foundation, Inc.
Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

As part of the Foundation's liquidity management, it maintains its funds in cash operating accounts in order to meet the needs of general expenditures, liabilities or other obligations as they come due. Revenue from the Minimum Foundation Program and sources other than federal grants and internal funds is not restricted for specific purposes and is available for general expenditure. The financial assets available to meet cash needs for general expenditures within one year of the financial position date are as follows:

June 30,	2024	2023
Cash	\$ 2,746,009	\$ 2,003,085
Grant and other receivables	236,437	165,751
Total financial assets available to meet general expenditures within one year	<u>\$ 2,982,446</u>	<u>\$ 2,168,836</u>

Note 4: GRANTS AND CONTRACTS RECEIVABLE

At June 30, 2024 and 2023, grant and other receivables totaled \$236,437 and \$165,751, respectively, and are considered fully collectible.

Shreveport Charter Foundation, Inc.
Notes to the Financial Statements

Note 5: ACCRUED EXPENSES

Following is a summary of accrued expenses:

<i>June 30,</i>	2024	2023
Payroll and benefits	\$ 628,408	\$ 558,785
Other	258,274	222,586
Total accrued expenses	\$ 886,682	\$ 781,371

Note 6: LEASES

The Foundation had the following finance leases payable:

<i>June 30,</i>	2024	2023
Finance lease payable to Red Apple at Magnolia, LLC for real property in the original amount of \$12,278,567, with a commencement date of July 22, 2013, with an effective interest rate of 10.147%, payable in monthly payments ranging from \$65,386 to \$148,788, including interest, maturing on June 30, 2033.	\$ 9,810,738	\$ 10,346,859
Finance lease payable to Red Apple at Magnolia Upper, LLC for real property in the original amount of \$16,534,616, with a commencement date of August 1, 2016, with an effective interest rate of 10.094%, payable in monthly payments ranging from \$32,635 to \$188,589, interest only until October 2030, then including interest, maturing on July 31, 2046.	16,501,981	16,501,981
Finance lease payable to Red Apple at Magnolia Upper, LLC for equipment in the amount of \$1,030,000, dated August 1, 2016, with an effective interest rate of 8.78%, payable in monthly payments ranging from \$8,808 to \$8,993, including interest, maturing July 31, 2036.	768,855	810,223
Total finance leases payable	27,081,574	27,659,063
Less current maturities	(661,223)	(577,489)
Long-term finance leases payable	\$ 26,420,351	\$ 27,081,574

Shreveport Charter Foundation, Inc.
Notes to the Financial Statements

Note 6: LEASES (Continued)

Right-of-use assets held under finance leases are included in net property and equipment on the statement of financial position. Following is a summary of assets held under finance leases:

<i>June 30,</i>	2024	2023
Real estate and buildings	\$ 28,813,183	\$ 28,813,183
Furniture, fixtures and equipment	1,810,821	1,810,821
Right-of-use assets under finance leases	30,624,004	30,624,004
Less: accumulated amortization	(12,841,483)	(11,710,518)
Right-of-use assets under finance leases, net	\$ 17,782,521	\$ 18,913,486

Scheduled annual lease payments under non-cancellable finance leases as of June 30, 2024, are as follows:

2025	\$ 3,569,873
2026	3,618,040
2027	3,661,992
2028	3,710,368
2029	3,754,542
Thereafter	43,761,038
Total minimum lease payments	62,075,853
Less interest	(34,994,279)
Net minimum lease payments	\$ 27,081,574

As of June 30, 2024, scheduled maturities of finance leases payable for the next five years ending June 30, are as follows:

2025	\$ 661,223
2026	754,006
2027	856,784
2028	972,641
2029	1,098,925
Thereafter	22,737,995
Total	\$ 27,081,574

Shreveport Charter Foundation, Inc.
Notes to the Financial Statements

Note 6: LEASES (Continued)

The components of finance lease expense consist of the following:

	2024	2023
Finance lease cost		
Amortization of right-of-use assets	\$ 577,489	\$ 501,740
Interest on finance lease liabilities	2,884,032	2,942,190
Total finance lease cost	\$ 3,461,521	\$ 3,443,930

The Foundation's finance leases with Red Apple at Magnolia, LLC and Magnolia Upper, LLC dated November 21, 2013 and August 1, 2016 include restrictive covenants that require compliance with all laws and regulations as well as specific insurance requirements. The lease with Magnolia Upper, LLC, include covenants that require the Foundation to have an annual rent coverage ratio of at least 1.15 to 1.00 each quarter and unrestricted immediately available funds on hand each June 30 in an amount at least equal to the Days Cash on Hand Requirement for the applicable period.

The Foundation is required to calculate the annual rent coverage ratio quarterly based on a rolling twelve month period. Annual rent coverage ratio is determined by dividing income available for annual rent by maximum annual rent. Income available for annual rent is the excess of charter revenues over operating expenses as determined from audited financial statements provided that gains and losses on investments will not be recognized in the calculation of income available for annual rent. Maximum annual rent means the highest rent due under the lease for any current or succeeding fiscal year or other specified period.

Shreveport Charter Foundation, Inc.
Notes to the Financial Statements

Note 6: LEASES (Continued)

Under the terms of the lease, the failure to meet the annual rent coverage ratio may be considered an event of default. At June 30, 2024, the Foundation met the annual rent coverage ratio covenant. The calculation as of June 30, 2024 is included below.

Annual Rent Coverage Ratio Covenant
As of June 30, 2024

Charter revenues	\$ 21,381,488
Less: Management fees forgiven	(1,709,714)
Less: Internal Funds Revenue	(128,287)
Operating Expenses	(19,571,672)
Add: Internal Funds Expense	96,880
Change in Unrestricted Net Assets	68,695
Plus:	
Interest	2,884,032
Depreciation and Amortization	1,361,723
Income Available for Annual Rent	\$ 4,314,450
Maximum Annual Rent	\$ 3,661,989
Annual Rent Coverage Ratio	1.18
Required Rent Coverage Ratio	1.15

The Days Cash on Hand Requirement for the calculation date of June 30, 2024, is an amount equal to at least fifty-five (55) days of Average Daily Expenses. Average Daily Expenses include operating expenses, long term debt service requirements, and payments of base rent under the lease and exclude depreciation and other non-cash items and deferred management fees for the twelve month period.

Shreveport Charter Foundation, Inc.
Notes to the Financial Statements

Note 6: LEASES (Continued)

At June 30, 2024, the Foundation did not meet the Days Cash on Hand Requirement. Under the terms of the finance lease, the failure to maintain unrestricted immediately available funds in an amount equal to at least fifty-five (55) days of average daily expenses may constitute an event of default. The investors waived the breach of the liquidity covenant for the fiscal year ended June 30, 2024. The calculation as of June 30, 2024 is included below.

Liquidity Covenant - Computation of Days Cash on Hand
As of June 30, 2024

Annual Total Expenses		\$ 21,281,386
Less: Management fees forgiven		(1,709,714)
Less: Internal Funds Expense		(96,880)
Less: Depreciation		(1,361,723)
Add: Principal Payments		577,489
Adjusted Annual Total Expenses		18,690,558
Average Daily Expenses (based on 360 day year)		51,918
Days of Cash Required		55
Daily Cash Required		2,855,490
Cash Available as of June 30, 2024		2,746,009
Less: Internal Fund Cash		(124,820)
Adjusted Cash Available as of June 30, 2024		\$ 2,621,189
Days of Cash on Hand		50

Property with a net book value of \$17,782,521 as of June 30, 2024 held under finance leases with Red Apple at Magnolia, LLC and Red Apple at Magnolia Upper, LLC has been pledged as security on Red Apple at Magnolia Upper, LLC (Landlord) financing.

Operating Leases

The Foundation has an operating lease for office equipment. The lease has a remaining lease term of one year. As of June 30, 2024 and **2023**, assets recorded under operating leases was \$43,018 and \$84,837, respectively.

The components of operating lease expense consist of the following:

<i>For the year ended June 30,</i>	2024	2023
Operating lease cost	\$ 44,150	\$ 49,541
Short-term lease cost	\$ 111	\$ 9,150

Shreveport Charter Foundation, Inc.
Notes to the Financial Statements

Note 6: LEASES (Continued)

Operating Leases (continued)

As of June 30, 2024, scheduled annual lease payments under non-cancellable operating leases for the years ending June 30, are as follows:

2025	\$	43,680
<hr/>		
Total future minimum lease payments		43,680
Less imputed interest		(662)
<hr/>		
Present value of operating lease liabilities	\$	43,018
<hr/> <hr/>		

Reported as of June 30, 2024:

Current portion of operating lease liabilities	\$	43,018
<hr/>		
Total	\$	43,018
<hr/> <hr/>		

Other Lease Disclosures Required in Accordance with FASB ASC 842

Weighted average remaining lease term and discount rates consist of the following at June 30, 2024 and **2023**:

Weighted average remaining lease term			
Operating leases	1.00 years		2.00 years
Finance leases	17.67 years		17.90 years
Weighted average discount rate			
Operating leases	2.83%		2.83%
Finance leases	10.08%		10.08%

Note 7: NET ASSETS (DEFICIT)

The Foundation had a increase in net assets of approximately \$100 thousand for the year ended June 30, 2024, and a deficit of approximately \$9.1 million. The main driver of the overall deficit of the Foundation is the accumulated depreciation of the two facilities recorded as assets held under finance leases in the financial statements, which totals approximately \$12.8 million. The Foundation has the support of Charter Schools USA as their management company. A portion of management fees for the current fiscal year totaling approximately \$1.7 million were waived by the management company. This support will continue until the Foundation is operating independently and is financially stable.

Note 8: RISK MANAGEMENT AND LITIGATION

The Foundation is exposed to various risks of loss from torts; thefts of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. In the opinion of management, insurance coverage is adequate to cover any material anticipated losses.

There were no settled claims that exceeded this commercial coverage during the years ended June 30, 2024 and 2023.

Note 9: CONCENTRATIONS AND CREDIT RISK

The Foundation received approximately 84% and 82% of its total revenues from the State of Louisiana, through its charter school contract with CPSB for the years ended June 30, 2024 and 2023 respectively.

Demand deposit balances, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each bank. At June 30, 2024 and 2023, the Foundation had approximately \$2,509,834 and \$1,779,006, respectfully, in uninsured deposits. Management believes the risk associated with these excess deposits is minimal.

Note 10: COMMITMENTS

Management agreement

The Foundation entered into a management agreement on February 5, 2013, with Charter Schools USA at Shreveport, LLC (CSUSA), a Florida limited liability company, to develop, manage, staff and operate the Charter School. The term of the agreement was for an initial five year term consistent with the term of the charter contract with CPSB. The agreement was renewed for two additional three year terms consistent with the term of the charter contract renewal. The agreement states that CSUSA shall be entitled to cost reimbursements and management fees for its services. The cost reimbursements and management fees are not to exceed 15% of revenues which shall be set forth within the approved annual budget or any amendments thereto.

For the years ended June 30, 2024 and 2023, cost reimbursements and management fee expense was \$2,923,333 and \$2,556,408, respectively. Fees totaling \$1,709,714 and \$1,788,073 were forgiven for fiscal years ended June 30, 2024 and 2023, reducing the amount of compensation payable to CSUSA to \$1,213,619 and \$768,335, respectively.

At June 30, 2024 and 2023, the Foundation owed CSUSA \$937,669 and \$799,944, respectively, related to operations and trade payables. These amounts are reflected in the statements of financial position at June 30, 2024 and 2023, respectively, as due from/to the management company.

Note 11: EMPLOYEE BENEFIT PLAN

The Foundation offered all of its full-time employees, who had attained 21 years of age, a retirement plan under Internal Revenue Code Section 401(k). Employees are allowed to contribute up to 100% of their salary, subject to certain limitations. Charter Schools USA will match 25% up to the first 6% that the employee elects. For the years ended June 30, 2024 and 2023, the Foundation's contributions to the plan totaled \$29,746 and \$20,475, respectively.

Note 12: CONTINGENCIES

The Foundation, as charter operator, is subject to Annual Academic Audits by Caddo Parish School Board. Failure to follow through with the recommendations and directives of the yearly audit will be grounds for terminations and/or non-renewal of the charter contract.

Note 13: SUBSEQUENT EVENTS

Management has evaluated all events and transactions that occurred after June 30, 2024 through December 31, 2024, the date the Foundation's financial statements were available to be issued.

As discussed in Note 6, the Foundation is required to have at least fifty-five (55) days of average daily expenses to meet the Days Cash on Hand requirement. Under the terms of the finance lease, the failure to maintain unrestricted immediately available funds in an amount equal to at least fifty-five (55) days of average daily expenses may constitute an event of default. For the quarter ended September 30, 2024, the days cash on hand was not met. A waiver was received from the Trustee.

SUPPLEMENTARY INFORMATION



Shreveport Charter Foundation, Inc.
Schedule of Compensation Paid to the Board of Trustees
For the year ended June 30, 2024

There was no compensation paid to members of the Board of Trustees for the year ended June 30, 2024.

Shreveport Charter Foundation, Inc.
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2024

Agency Head Name: Zazell Dudley, President of the Board of Directors

Purpose	Amount
Reimbursements	\$ -

There were no payments to the agency head for the year ended June 30, 2024.

Shreveport Charter Foundation, Inc.
Reconciliation of the Statement of Financial Position to
Fund Balance by Campus
June 30, 2024

<i>June 30, 2024</i>	Lower Campus Grades K - 5	Upper Campus Grades 6 - 12	Combining Total
Total net assets (deficit) reported on the Statement of Financial Position	\$ (3,996,773)	\$ (5,086,840)	\$ (9,083,613)
Capital assets are not reported in fund balance.			
Net property and equipment	(5,722,936)	(12,330,842)	(18,053,778)
Operating lease right-of-use assets, net	(24,582)	(18,436)	(43,018)
Long-term liabilities applicable to the governmental fund activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term are in the Statement of Financial Position.			
Finance leases payable	9,810,737	17,270,837	27,081,574
Operating leases payable	24,582	18,436	43,018
Accrued interest payable	-	1,223,720	1,223,720
Compensated absences included in accrued expenses	75,300	-	75,300
Total fund balance	\$ 166,328	\$ 1,076,875	\$ 1,243,203

Shreveport Charter Foundation, Inc.
Reconciliation of the Statement of Activities to the
Change in Fund Balance by Campus
For the Year Ended June 30, 2024

<i>For the year ended June 30, 2024</i>	Lower Campus Grades K - 5	Upper Campus Grades 6 - 12	Combining Total
Change in net assets reported on the Statement of Activities	\$ 4,033	\$ 96,069	\$ 100,102
Fund balance reports capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlays capitalized	(48,236)	(136,501)	(184,737)
Depreciation and amortization expense	716,251	645,472	1,361,723
The issuance of long-term liabilities provides current financial resources to fund balance. However, in the Statement of Activities, issuing debt increases long-term liabilities and does not affect the Statement of Activities.			
Principal payments on finance leases payable	(536,121)	(41,368)	(577,489)
Change in accrued interest payable	-	(65,044)	(65,044)
Expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in fund balance.			
Change in compensated absences	5,101	-	5,101
Total change in fund balance	\$ 141,028	\$ 498,628	\$ 639,656



REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS





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

To the Board of Trustees
Shreveport Charter Foundation, Inc.
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Shreveport Charter Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Shreveport Charter Foundation, Inc.’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 Shreveport Charter Foundation, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Shreveport Charter Foundation, Inc.’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shreveport Charter Foundation, Inc.'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002.

Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization'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.



CARR, RIGGS & INGRAM, L.L.C.

Shreveport, Louisiana
December 31, 2024

Shreveport Charter Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of Auditor’s report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None reported
c. Noncompliance material to the financial statements noted?	No

Federal Awards

Not applicable in the current year

Section II – Financial Statement Findings

Current Year Findings and Responses

Reference # and title: 2024-001 Tier 3 Annual Financial Disclosure filing (Non-compliance)

Year of Origination – June 30, 2024

Criteria or Specific Requirement – Louisiana Revised Statute 42:1124.2 requires each person holding a public office who represents a voting district having a population of fewer than 5,000 and each member of the governing authority or management board of a charter school created pursuant to Chapter 42 of Titles 17 of the Louisiana Revised Statutes of 1950 to file a Tier 3 Annual Personal Financial Disclosure statement due on or before May 15th of each year the office is held and the year following the termination of public service.

Condition – Compliance testing of the Annual Financial Disclosure for board members identified one member as not completing a Financial Disclosure form for the 2023 filing year, and late filings by three board members, of which a due date of May 15, 2024, was required.

Cause – The Foundation does not have policies and procedures in place to ensure the annual tier 3 filing is submitted in a timely manner.

Effect – The Foundation may not be in compliance with Louisiana Revised Statute 42:1124.2.

Shreveport Charter Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Recommendation – We recommend the Foundation implement policies and procedures to ensure the annual tier 3 filing is submitted in a timely manner.

Views of responsible officials and corrective action plan – We will develop a new process of review to ensure all board members submit the form in a timely manner.

Reference # and title: 2024-002 Teaching Certificates and Background Checks (Non-compliance)

Year of Origination – June 30, 2024

Criteria or Specific Requirement – Louisiana Revised Statute 17:3991 requires a charter school to employ instructional staff who have at least a baccalaureate degree and who shall be subject to all provisions of state law relative to background checks applicable to the employment of public school personnel.

Condition – Evidence of a teaching certificate for one instructional staff of the twenty-five teachers selected for testing was not provided. Additionally, background checks being performed and results of the background checks were not provided for five teachers of the twenty-five teachers selected for testing.

Cause – The Foundation does not have policies and procedures in place to ensure teaching certificates and background checks are performed for all instructional staff and are properly maintained on file.

Effect – The Foundation may not be in compliance with Louisiana Revised Statute 17:3991 Charter Contents, Renewal, and Revocation and Charter School Authorities and Limitations.

Recommendation – We recommend that the Foundation implement policies and procedures to ensure teaching certificates and background checks are performed for all instructional staff prior to offer of employment and that evidence of teaching certificates and background checks be maintained on file.

Views of responsible officials and corrective action plan – We implemented a new process to obtain background checks in April 2024, of which all background checks are now kept at the state office to ensure compliance with record keeping. We will review our guidelines for teacher certification renewals and update as necessary.

Shreveport Charter Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section III – Prior Year Financial Statement Findings

Reference # and title: 2023-001 Accounts Payable Reconciliation (Significant Deficiency)

Year of Origination – June 30, 2023

Condition – The accounts payable account for the lower school was not correctly reconciled at year end.

Recommendation – We recommend that the client make adjustments for intercompany accounts payable prior to reconciling the balance to the AP Aging.

Status – Resolved.

Reference # and title: 2023-002 Authorized Check Signers on Internal and Principal Bank Accounts (Deficiency)

Year of Origination – June 30, 2023

Condition – Authorized signers on the Shreveport Charter Foundation, Inc. Chase Internal Funds and Principal accounts are not updated to remove previous key personnel, principals and assistant principals.

Recommendation – We recommend that the Foundation implement policies and procedures to ensure bank signature cards are updated to reflect key personnel still employed with the schools.

Status – Resolved.

Reference # and title: 2023-003 Federal Grant Reimbursements reported in Incorrect Period (Significant Deficiency)

Year of Origination – June 30, 2023

Condition – Receivables related to reimbursement requests should be recorded and monitored to ensure they are funded timely and in the proper amount.

Recommendation – We recommend that the School Operations Administrator provide a copy of the reimbursement request and all supporting schedules and documentation to the Accountant when the request is submitted. At that time, a receivable for the amount of the request should be recorded. The receivable should be monitored to ensure the request is funded timely and in the proper amount. When the request is funded, the Accountant should contact the Administrator to inform them that the payment has been received. If the request is not funded within a reasonable period of time, the Accountant should inform the Administrator so that they can follow up and resolve any issues to ensure the request is funded.

Status – Resolved.

Shreveport Charter Foundation, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Reference # and title: 2023-004 Late Submission of Audit Report to Legislative Auditor (Noncompliance)

Year of Origination – June 30, 2021

Condition: The Foundation’s audit report for the fiscal year ending June 30, 2023, was not completed within the six month deadline as per R.S. 24:513 A (5)(a)(i). The Foundation requested an extension from the Legislative Auditor which was granted.

Recommendation: We recommend the Foundation implement appropriate accounting policies and close procedures ensure timelines for filing are met.

Status – Resolved.

Section IV – Federal Award Findings and Responses

A. Current Year Findings and Responses

Not applicable in the current year

B. Prior Year Findings and Responses

Not applicable in the previous year



Shreveport Charter Foundation, Inc.

STATEWIDE AGREED-UPON PROCEDURES REPORT

June 30, 2024



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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Shreveport Charter Foundation, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. Shreveport Charter Foundation, Inc.’s management is responsible for those C/C areas identified in the SAUPs.

Shreveport Charter Foundation, Inc. (the Organization) 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, 2023 through June 30, 2024. 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.

Results: No exceptions were identified as a result of applying the procedure.

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.

Results: No exceptions were identified as a result of applying the procedure.

- c) **Disbursements**, including processing, reviewing, and approving.
Results: No exceptions were identified as a result of applying the procedure.
- 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).
Results: No exceptions were identified as a result of applying the procedure.
- 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 rates of pay or approval and maintenance of pay rate schedules.
Results: No exceptions were identified as a result of applying the procedure.
- 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.
Results: No exceptions were identified as a result of applying the procedure.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Results: No exceptions were identified as a result of applying the procedure.
- h) **Credit Cards (and debit cards, fuel cards, purchase 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).
Results: Per inquiry of management, no credit cards/fuel cards/P-cards are issued to the Organization; therefore, procedures related to credit cards are not applicable.
- 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.
Results: No exceptions were identified as a result of applying the procedure.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Results: This procedure is not applicable as Shreveport Charter Foundation, Inc. is not a governmental entity.
- 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.

Results: No exceptions were identified as a result of applying the procedure.

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

Results: This procedure is not applicable as Shreveport Charter Foundation, Inc. is not a governmental entity.

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

Results: No exceptions were identified as a result of applying the procedure.

- 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit 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.*

Results: No exceptions were identified as a result of applying the procedure.

- 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.

Results: This procedure is not applicable as Shreveport Charter Foundation, Inc. is not a governmental entity.

- 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.

Results: Written updates of the progress of resolving audit findings were not provided at the Organization's meetings.

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);

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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.

Results: No exceptions were identified as a result of applying the procedure.

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).

Results: CRI obtained a listing of deposit sites and management's representation that the listing was complete.

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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and 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;

Results: No exceptions were identified as a result of applying the procedure.

b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

Results: No exceptions were identified as a result of applying the procedure.

- c) Each employee responsible for collecting cash is not also 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; and

Results: No exceptions were identified as a result of applying the procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, 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.

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

- d) Observe that 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).

Results: No exceptions were identified as a result of applying the procedure.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were identified as a result of applying the procedure.

Non-Payroll Disbursements (excluding card purchases, 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).

Results: CRI obtained a listing of locations that process payments and management's representation that the listing was complete.

9. For each location selected under procedure #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, then 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 or making the purchase;

Results: No exceptions were identified as a result of applying the procedure.

- b) At least two employees are involved in processing and approving payments to vendors;

Results: No exceptions were identified as a result of applying the procedure.

- 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;

Results: CRI identified exceptions at two of the three payment processing locations where the employee responsible for processing payments is not prohibited from adding/modifying vendor files, and no employee is responsible for periodically reviewing changes to the vendor file.

- 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; and

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

10. For each location selected under procedure #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, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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.*

Results: No exceptions were identified as a result of applying the procedure.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

Results: Management represented that the Organization does not have credit cards, bank debit cards, fuel cards, or purchase cards (cards).

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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: This procedure is not applicable as the Organization does not have cards.

14. Using the monthly statements or combined statements selected under procedure #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that 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 observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: This procedure is not applicable as the Organization does not have cards.

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 and 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 that 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);

Results: No exceptions were identified as a result of applying the procedure.

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Results: No exceptions were identified as a result of applying the procedure.

c) Observe that 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 Policies and Procedures procedure #1g; and

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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. *Alternatively, 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;
Results: No exceptions were identified as a result of applying the procedure.
 - 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);
Results: No exceptions were identified as a result of applying the procedure.
 - c) If the contract was amended (e.g., change order), observe that 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, the documented approval); and
Results: No exceptions were identified as a result of applying the procedure.
 - 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 that the invoice and related payment agreed to the terms and conditions of the contract.
Results: No exceptions were identified as a result of applying the procedure.

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.
Results: No exceptions were identified as a result of applying the procedure.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #17 above, obtain attendance records and leave documentation for the pay period, and
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
Results: No exceptions were identified as a result of applying the procedure.
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

- 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Results: No exceptions were identified as a result of applying the procedure.

- 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.

Results: No exceptions were identified as a result of applying the procedure.

Ethics

- 21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and

- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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

Results: No exceptions were identified as a result of applying the procedure.

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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: This procedure is not applicable to Shreveport Charter Foundation, Inc. as a nonprofit.

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: This procedure is not applicable to Shreveport Charter Foundation, Inc. as a nonprofit.

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 as required by R.S. 24:523.

Results: Management represented that no misappropriations of public funds or assets occurred during the fiscal period.

26. Observe that 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.

Results: No exceptions were identified as a result of applying the procedure.

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 there is no written documentation, then 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.

Results: We performed the procedure and discussed the results with management.

b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel

responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: We performed the procedure and discussed the results with management.

- 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.

Results: We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: No exceptions were identified as a result of applying the procedure.

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, 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:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: This procedure is not applicable to Shreveport Charter Foundation, Inc. as a nonprofit charter school.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe that 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.

Results: This procedure is not applicable to Shreveport Charter Foundation, Inc. as a nonprofit.

31. Observe that 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).

Results: This procedure is not applicable to Shreveport Charter Foundation, Inc. as a nonprofit.

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 that the report 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: This procedure is not applicable to Shreveport Charter Foundation, Inc. as a nonprofit.

We were engaged by Shreveport Charter Foundation, Inc. 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 Shreveport Charter Foundation, Inc. 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana

December 31, 2024

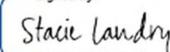
Shreveport Charter
FOUNDATION

December 31, 2024
Louisiana Legislative Auditor
1600 North 3rd Street
Baton Rouge, LA 70802

And
Carr Riggs & Ingram, LLC
1000 East Preston Avenue, Suite 200
Shreveport, LA 71105

RE: Management's Response to Agreed-Upon Procedures
Management of Shreveport Charter Foundation, Inc. has reviewed the Independent Accountants' Report on Applying Agreed-Upon Procedures. We are in agreement with the report of Carr, Riggs and Ingram, LLC. Shreveport Charter Foundation, Inc. will add policies and procedures and implement changes as considered necessary and cost beneficial to meet the expectations identified in the report and future agreed-upon procedures engagements.

Sincerely,

Signed by:

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Stacie Landry, Deputy Director State Finance