

INSPIRENOLA CHARTER SCHOOLS
AND SUBSIDIARY
NEW ORLEANS, LOUISIANA
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
InspireNOLA Charter Schools and Subsidiary
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of InspireNOLA Charter Schools and Subsidiary as of June 30, 2024 and 2023, and the changes in its net assets and 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 InspireNOLA Charter Schools and Subsidiary 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 consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about InspireNOLA Charter Schools and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Directors of
InspireNOLA Charter Schools and Subsidiary
New Orleans, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, the *Louisiana Governmental Audit Guide*, 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 InspireNOLA Charter Schools and Subsidiary'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 InspireNOLA Charter Schools and Subsidiary'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.

To the Board of Directors of
InspireNOLA Charter Schools and Subsidiary
New Orleans, Louisiana

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combining financial statements as a whole. The supplementary information contained in Schedules “1” through “4” is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The supplementary information contained in the schedule of compensation, benefits, and other payments to agency head (Schedule “5”), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is also not a required part of the combining financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the consolidated 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 consolidated 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 consolidated 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 16, 2024 on our consideration of InspireNOLA Charter Schools and Subsidiary’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 InspireNOLA Charter Schools and Subsidiary’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 InspireNOLA Charter Schools and Subsidiary’s internal control over financial reporting and compliance.

December 16, 2024
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 10,152,374	\$ 10,686,432
Investments	26,806,109	16,715,858
Grant receivables	4,743,443	10,130,819
Other receivables	252,212	192,543
Prepaid expenses	<u>1,592,562</u>	<u>1,212,878</u>
Total current assets	<u>43,546,700</u>	<u>38,938,530</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>2,417,324</u>	<u>3,034,805</u>
<u>OTHER ASSETS:</u>		
Right of use assets - operating leases, net	269,851	609,197
Deposits	<u>117,349</u>	<u>116,615</u>
Total other assets	<u>387,200</u>	<u>725,812</u>
Total assets	<u><u>\$ 46,351,224</u></u>	<u><u>\$ 42,699,147</u></u>
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 5,986,608	\$ 2,560,933
Accrued expenses	3,987,982	4,258,819
Current portion of operating leases	169,838	338,552
Current portion of long-term debt	100,000	100,000
Student activity funds	<u>390,738</u>	<u>476,330</u>
Total current liabilities	<u>10,635,166</u>	<u>7,734,634</u>
<u>NON-CURRENT LIABILITIES:</u>		
Operating leases, net of current portion	98,727	269,359
Long-term debt, net of current portion	<u>-</u>	<u>100,000</u>
Total non-current liabilities	<u>98,727</u>	<u>369,359</u>
Total liabilities	<u>10,733,893</u>	<u>8,103,993</u>
<u>NET ASSETS:</u>		
Without donor restrictions	31,172,542	30,538,462
With donor restrictions	<u>4,444,789</u>	<u>4,056,692</u>
Total net assets	<u>35,617,331</u>	<u>34,595,154</u>
Total liabilities and net assets	<u><u>\$ 46,351,224</u></u>	<u><u>\$ 42,699,147</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE:</u>			
State/Local Minimum Foundation Program funding	\$ 64,624,819	\$ -	\$ 64,624,819
Federal grants	-	20,003,982	20,003,982
Other state funding	1,419,452	1,273,235	2,692,687
Private grants and contributions	43,998	93,838	137,836
Investment income, net	1,327,557	-	1,327,557
Other income	5,246,469	176,158	5,422,627
Net assets released from restrictions	<u>21,159,116</u>	<u>(21,159,116)</u>	<u>-</u>
 Total revenue	 <u>93,821,411</u>	 <u>388,097</u>	 <u>94,209,508</u>
 <u>EXPENSES:</u>			
Program services:			
General instructional	36,069,738	-	36,069,738
General non-instructional	32,642,561	-	32,642,561
Special education	14,632,405	-	14,632,405
Special programs	4,402,874	-	4,402,874
Administration	<u>5,439,753</u>	<u>-</u>	<u>5,439,753</u>
 Total expenses	 <u>93,187,331</u>	 <u>-</u>	 <u>93,187,331</u>
 Change in net assets	 634,080	 388,097	 1,022,177
 Net assets, beginning of year	 <u>30,538,462</u>	 <u>4,056,692</u>	 <u>34,595,154</u>
 Net assets, end of year	 <u><u>\$ 31,172,542</u></u>	 <u><u>\$ 4,444,789</u></u>	 <u><u>\$ 35,617,331</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE:</u>			
State/Local Minimum Foundation Program funding	\$ 70,014,441	\$ -	\$ 70,014,441
Federal grants	-	25,826,870	25,826,870
Other state funding	3,073	1,251,215	1,254,288
Private grants and contributions	8,102,892	299,342	8,402,234
Investment income, net	442,576	-	442,576
Other income	273,726	721,218	994,944
Net assets released from restrictions	<u>27,465,548</u>	<u>(27,465,548)</u>	<u>-</u>
 Total revenue	 <u>106,302,256</u>	 <u>633,097</u>	 <u>106,935,353</u>
<u>EXPENSES:</u>			
Program services:			
General instructional	40,710,256	-	40,710,256
General non-instructional	29,017,493	-	29,017,493
Special education	14,977,351	-	14,977,351
Special programs	4,588,215	-	4,588,215
Administration	<u>4,513,438</u>	<u>-</u>	<u>4,513,438</u>
 Total expenses	 <u>93,806,753</u>	 <u>-</u>	 <u>93,806,753</u>
 Change in net assets	 12,495,503	 633,097	 13,128,600
Net assets, beginning of year	<u>18,042,959</u>	<u>3,423,595</u>	<u>21,466,554</u>
Net assets, end of year	<u><u>\$ 30,538,462</u></u>	<u><u>\$ 4,056,692</u></u>	<u><u>\$ 34,595,154</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services				Support Services	
	General Instructional	General Non-Instructional	Special Education	Special Programs	Administration	Total
Salaries	\$ 22,789,444	\$ 7,403,733	\$ 8,828,074	\$ 2,942,675	\$ 2,791,411	\$ 44,755,337
Employee benefits	2,714,487	617,386	1,231,028	366,304	242,835	5,172,040
Retirement	5,285,472	1,853,963	2,084,863	705,649	646,855	10,576,802
Payroll taxes	402,961	131,689	137,894	43,821	44,697	761,062
Purchased educational services	775,162	3,577	-	-	-	778,739
Other purchased professional services	39,312	427,323	274,785	-	218,758	960,178
Purchased technical services	-	277,460	-	-	74,965	352,425
Utilities	-	1,448,163	-	-	2,659	1,450,822
Repairs and maintenance	23,760	3,378,990	-	-	-	3,402,750
Rentals	9,750	539,216	38,564	-	88,096	675,626
Student transportation	-	7,054,647	1,376,147	-	-	8,430,794
Insurance	-	2,048,286	-	-	73,554	2,121,840
Communications	883,937	489,396	59,623	316,892	189,028	1,938,876
Advertising, printing, and binding	18,052	29,422	1,186	-	98,257	146,917
Tuition	692,429	-	78,775	-	-	771,204
Food service	-	3,618,719	-	-	72,005	3,690,724
Travel	201,410	46,145	1,393	3,590	43,040	295,578
Miscellaneous purchased services	60,190	81,818	109,312	-	223,047	474,367
Materials and supplies	796,106	1,376,243	403,696	20,964	457,516	3,054,525
Books and periodicals	706,557	-	-	2,979	-	709,536
Dues and fees	(1,995)	1,313,670	168	-	55,131	1,366,974
Miscellaneous	688	338,373	6,897	-	115,905	461,863
Depreciation	672,016	164,342	-	-	-	836,358
Interest	-	-	-	-	1,994	1,994
Total expenses	<u>\$ 36,069,738</u>	<u>\$ 32,642,561</u>	<u>\$ 14,632,405</u>	<u>\$ 4,402,874</u>	<u>\$ 5,439,753</u>	<u>\$ 93,187,331</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services				Support Services	Total
	General Instructional	General Non-Instructional	Special Education	Special Programs	Administration	
Salaries	\$ 25,674,550	\$ 4,693,274	\$ 9,368,876	\$ 3,279,867	\$ 2,277,199	\$ 45,293,766
Employee benefits	2,148,165	436,490	957,559	327,378	170,356	4,039,948
Retirement	6,175,952	1,191,724	2,274,160	776,441	532,671	10,950,948
Payroll taxes	470,699	82,293	152,438	49,852	38,258	793,540
Purchased educational services	1,446,122	99	792	-	-	1,447,013
Other purchased professional services	30,100	376,417	243,685	-	152,877	803,079
Purchased technical services	-	283,260	-	-	312,168	595,428
Utilities	-	1,617,000	-	-	-	1,617,000
Repairs and maintenance	3,750	3,308,278	-	-	8,347	3,320,375
Rentals	32,793	523,882	11,250	-	153,850	721,775
Student transportation	-	7,543,349	1,342,281	-	-	8,885,630
Insurance	224,304	1,530,762	84,860	15,598	69,456	1,924,980
Communications	991,026	725,862	87,886	37,500	160,755	2,003,029
Advertising, printing, and binding	76,751	26,268	-	-	77,929	180,948
Tuition	808,088	-	-	-	-	808,088
Food service	-	3,942,102	-	-	34,396	3,976,498
Travel	49,813	73,865	7,491	-	467	131,636
Miscellaneous purchased services	29,665	120,471	38,750	-	136,551	325,437
Materials and supplies	970,399	1,079,050	402,280	48,835	299,077	2,799,641
Books and periodicals	1,198,239	-	-	52,744	-	1,250,983
Dues and fees	9,375	1,360,823	-	-	44,557	1,414,755
Miscellaneous	5,165	28,702	5,043	-	39,784	78,694
Depreciation	365,300	73,522	-	-	-	438,822
Interest	-	-	-	-	4,740	4,740
	<u>\$ 40,710,256</u>	<u>\$ 29,017,493</u>	<u>\$ 14,977,351</u>	<u>\$ 4,588,215</u>	<u>\$ 4,513,438</u>	<u>\$ 93,806,753</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 1,022,177	\$ 13,128,600
Adjustments to reconcile change in net assets to cash and cash equivalents from operating activities:		
Depreciation expense	836,358	438,822
(Increase) decrease in:		
Grant receivables	5,387,376	4,270,967
Other receivables	(59,669)	(46,437)
Prepaid expenses	(379,684)	940,874
Deposits	(733)	-
Increase (decrease) in:		
Accounts payable	3,425,675	(4,377,772)
Accrued expenses	(270,837)	249,885
Deferred revenue	-	(857,096)
Student activity funds	(85,592)	(71,350)
Net cash from operating activities	<u>9,875,071</u>	<u>13,676,493</u>
<u>CASH FLOWS (USED FOR) INVESTING ACTIVITIES:</u>		
Capital expenditures	(218,878)	(2,247,213)
Purchase of investments	(62,877,323)	(35,806,121)
Sale of investments	<u>52,787,072</u>	<u>20,000,000</u>
Net cash (used for) investing activities	<u>(10,309,129)</u>	<u>(18,053,334)</u>
<u>CASH FLOWS (USED FOR) FINANCING ACTIVITIES:</u>		
Payments on long-term debt	<u>(100,000)</u>	<u>(250,000)</u>
Net cash (used for) financing activities	<u>(100,000)</u>	<u>(250,000)</u>
Net (decrease) in cash and cash equivalents	(534,058)	(4,626,841)
Cash and cash equivalents, beginning of year	<u>10,686,432</u>	<u>15,313,273</u>
Cash and cash equivalents, end of year	<u><u>\$ 10,152,374</u></u>	<u><u>\$ 10,686,432</u></u>

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Orleans Parish School Board (OPSB) authorized by the Charter School Demonstration Programs Law and approved by the State Board of Elementary and Secondary Education (BESE), granted to InspireNOLA Charter Schools (InspireNOLA), a nonprofit organization organized under the laws of the State of Louisiana and exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, charters to operate the schools below. In addition, the Inspire Support Team (IST) provides support to each of the schools in the areas of development, operations, finance, academics, recruitment and planning. As authorized by the operating agreement between OPSB and InspireNOLA, InspireNOLA operates the following schools through these dates:

<u>School</u>	<u>Type</u>	<u>Term Date</u>
Dwight D. Eisenhower Charter School	Type 1	June 30, 2028
McDonogh 35 Senior High School	Type 1	June 30, 2029
Capdau S.T.E.A.M	Type 1	June 30, 2027
Andrew Wilson Charter School	Type 1	June 30, 2025
Alice M. Harte Elementary School	Type 3	June 30, 2028
Edna Karr Senior High	Type 3	June 30, 2028
Eleanor McMain Secondary School	Type 3	June 30, 2029

Principles of Consolidation

These financial statements have been consolidated to include all accounts of InspireNOLA Charter Schools and its subsidiary, Friends of InspireNOLA.

Friends of InspireNOLA is a support organization established to foster the strategic development goals of InspireNOLA Charter Schools. Friends of InspireNOLA was founded in July of 2019 with operations commencing on July 1, 2020. Friends of InspireNOLA is operated, supervised, and controlled by InspireNOLA Charter Schools.

The accompanying consolidated financial statements are presented on a consolidated basis and significant intercompany accounts have been eliminated.

Basis of Accounting and Financial Reporting Framework

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Financial Accounting Standards Board (FASB).

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, InspireNOLA is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of InspireNOLA. InspireNOLA's board may designate assets without restrictions for specific operational purposes from time to time.

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

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, InspireNOLA considers all demand deposits and highly liquid investments with an initial maturity of less than three months to be cash and cash equivalents.

Receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for credit losses and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2024 and 2023, no allowance has been recorded as management considers all receivables to be fully collectible.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

InspireNOLA invests in LAMP, which is administered by LAMP, Inc. a non-profit corporation incorporated in the State of Louisiana. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investment in LAMP is valued at fair value, which is determined weekly by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. InspireNOLA also separately invests in U.S Treasury securities at another financial institution. Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities.

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

Level 1 lies at the top of the hierarchy; inputs are quoted prices in active markets.

Level 2 inputs do not stem directly from quoted prices and include data that is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active.

Level 3 inputs are unobservable and require the entity to develop its own assumptions.

No Level 2 or Level 3 inputs were used by InspireNOLA during June 30, 2024 and 2023.

Property and Equipment and Depreciation

Property and equipment are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment are recorded at fair value as of the date received. InspireNOLA maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	27 years
Office equipment	5 years

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment and Depreciation (Continued)

Assets acquired with Louisiana Department of Education (LDOE) funds are owned by InspireNOLA while used in the purpose for which it was purchased. The LDOE however, has a reversionary interest in these assets. Should a charter not be renewed, title in any assets purchased with these funds will revert to the appropriate agency.

Compensated Absences

All instructional staff members are granted ten annual leave days at the beginning of each year. School Support Center and non-instructional staff are granted a total of 12 annual leave days per year. Prior to July 1, 2019, employees could roll-forward a maximum of 120 hours and could redeem any unused time for additional compensation at the end of employment. On July 1, 2019, InspireNOLA converted to a use or lose it policy. Employees employed prior to June 30, 2019, are allowed to carry-forward their leave liability balance until they redeem it for extra time-off or additional compensation at the end of employment. As of June 30, 2024 and 2023, the accrued leave liability totaled \$88,995 and \$265,757, respectively.

Revenue Recognition

Contributions are recognized when cash, securities or 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. InspireNOLA reports contributions of cash or other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met, or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the consolidated statement of activities.

Revenues from federal and state grants are recorded when InspireNOLA has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by InspireNOLA, or when otherwise earned under the terms of the grants.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In addition, InspireNOLA receives services donated by parents and community members in carrying out InspireNOLA's mission. The value of these services is not recognized in the accompanying consolidated financial statements as they do not meet the criteria for recognition under GAAP.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

InspireNOLA applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. InspireNOLA defines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that InspireNOLA will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

InspireNOLA also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether InspireNOLA can benefit from the right-of-use asset either on its own or together with other resources and whether the asset is highly dependent on or highly interrelated with another right-of-use asset.

InspireNOLA is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. InspireNOLA generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

InspireNOLA determines the incremental borrowing rate of each lease by estimating the credit rating of InspireNOLA at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

Functional Expenses

The costs of providing the various programs and other activities of InspireNOLA have been summarized on a functional basis in the consolidated statements of activities. Directly identifiable expenses are charged to programs, support services, and non-instructional services. Expenses related to more than one function are charged to programs, support services, and non-instructional services on the basis of periodic time and expense studies. Salaries and employee benefits have been allocated based on time and effort. All other allocated expenses have been allocated based on actual expenses incurred.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

InspireNOLA is a Louisiana non-profit organization recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization. An IRS Form 990, Return of Organization Exempt from Income Tax, must be filed annually. InspireNOLA believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that require adjustment to the financial statements. Penalties and interest, if any, would be included in income tax expense.

InspireNOLA's federal Form 990 for 2020 through 2022 is subject to examination by the IRS, generally for three years after it was filed. As of the date of this report, an extension has been filed for the 2023 Form 990, which is for the fiscal year ended June 30, 2024.

New Accounting Pronouncement – Adopted

InspireNOLA had adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "*Financial Instruments – Credit Losses (Topic 326)*." The standard introduced a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. InspireNOLA has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on InspireNOLA's financial position, results of operations, or cash flows.

Date of Management Review

Subsequent events have been evaluated through December 16, 2024, which is the date the financial statements were available to be issued.

(2) STATEMENT OF CASH FLOW SUPPLEMENTARY DISCLOSURES

Supplemental disclosures of cash flow information at June 30th:

Cash paid during the year for:	<u>2024</u>	<u>2023</u>
Interest	<u>\$ 5,152</u>	<u>\$ 14,820</u>

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(3) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects InspireNOLA's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include debt service. However, amounts already appropriated from the restricted deposits and funded reserves for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	<u>2024</u>	<u>2023</u>
Financial assets at year-end	\$ 41,954,138	\$ 37,725,652
Less those unavailable for general expenditure within one year due to:		
Debt service	<u>(100,000)</u>	<u>(100,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 41,854,138</u>	<u>\$ 37,625,652</u>

As part of InspireNOLA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. InspireNOLA's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of operating expenses. InspireNOLA regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources of InspireNOLA. In addition, InspireNOLA operates with a budget and monitors sources and uses of funds throughout the year by comparing budget to actual operating expenses.

(4) GRANT RECEIVABLES

Grant receivables consist of the following at June 30th:

	<u>2024</u>	<u>2023</u>
Due from federal government	\$ 369,793	\$ 455,426
Due from State of Louisiana	4,186,012	9,474,612
Due from other	<u>187,640</u>	<u>200,781</u>
	<u>\$ 4,743,443</u>	<u>\$ 10,130,819</u>

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(5) INVESTMENTS

The fair value of Level 1 investments is determined by reference to quoted prices in active markets for identical assets and is as follows at June 30th:

	<u>2024</u>	<u>2023</u>
LAMP	\$ 16,166,019	\$ 6,601,011
U.S. Treasury securities	<u>10,640,090</u>	<u>10,114,847</u>
Total investments	<u>\$ 26,806,109</u>	<u>\$ 16,715,858</u>

The following schedule summarizes the investment return and its classification in other income in the consolidated statements of activities for the years ended June 30th:

	<u>2024</u>	<u>2023</u>
Dividends and interest	<u>\$ 1,327,557</u>	<u>\$ 442,576</u>

(6) PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30th:

	<u>2024</u>	<u>2023</u>
Buildings and improvements	\$ 3,593,532	\$ 3,466,459
Office equipment	<u>662,516</u>	<u>570,712</u>
	4,256,048	4,037,171
Less accumulated depreciation	<u>(1,838,724)</u>	<u>(1,002,366)</u>
Total	<u>\$ 2,417,324</u>	<u>\$ 3,034,805</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$836,358 and \$438,822, respectively.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(7) INTERFUND ACTIVITY

InspireNOLA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances, which are eliminated on the consolidated statements of financial position at June 30, 2024 are as follows:

<u>Due from Pooled Cash</u>	<u>Amount</u>	<u>Due to Pooled Cash</u>	<u>Amount</u>
Inspire Support Team	\$ 9,738,388	Inspire Support Team	\$ 27,707,202
Alice Harte	5,384,412	Alice Harte	90,289
Edna Karr	6,037,512	Edna Karr	832,904
Andrew Wilson	2,782,977	Andrew Wilson	397,278
Capdau STEAM	599,817	Capdau STEAM	234,394
Eleanor McMain	726,906	Eleanor McMain	354,655
Dwight Eisenhower	1,620,247	Dwight Eisenhower	361,284
McDonogh 35	<u>3,138,338</u>	McDonogh 35	<u>50,591</u>
Total	<u>\$ 30,028,597</u>	Total	<u>\$ 30,028,597</u>

The above due to/from other funds were short-term receivables or payables resulting from the normal course of InspireNOLA's operations.

InspireNOLA's transfers in (out), which are eliminated on the consolidated statements of activities, consist of interfund activity for the School Support Center allocation and indirect costs transfers.

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
Inspire Support Team	\$ 8,835,295	Inspire Support Team	\$ 233,043
Alice Harte	312,287	Alice Harte	1,728,989
Edna Karr	1,722,459	Edna Karr	4,433,283
Andrew Wilson	285,738	Andrew Wilson	1,266,497
Capdau STEAM	822,911	Capdau STEAM	841,934
Eleanor McMain	505,794	Eleanor McMain	1,141,834
Dwight Eisenhower	316,104	Dwight Eisenhower	1,222,977
McDonogh 35	514,288	McDonogh 35	1,935,877
Pierre Capdau	<u>94</u>	Pierre Capdau	<u>510,536</u>
Total	<u>\$ 13,314,970</u>	Total	<u>\$ 13,314,970</u>

The above interfund transfers result from the normal course of InspireNOLA's operations and the charter agreement between InspireNOLA and New Orleans Public Schools.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(8) LONG-TERM DEBT

InspireNOLA has long-term notes payable as follows at June 30th:

	<u>2024</u>	<u>2023</u>
Unsecured loans provided by nonprofit organization for startup operations of InspireNOLA's schools. The loans all bear interest at 1% and principal and accrued interest are payable in full upon maturity. Loans mature from November 30, 2021 through June 30, 2025.	\$ <u>100,000</u>	\$ <u>200,000</u>
	100,000	200,000
Less: current portion of long-term debt	<u>(100,000)</u>	<u>(100,000)</u>
Total long-term debt, net	\$ <u>-</u>	\$ <u>100,000</u>

The maturities of long-term debt are as follows:

2025	\$ <u>100,000</u>
	<u>\$ 100,000</u>

Interest expense totaled \$1,994 and \$4,740 for the years ended June 30, 2024 and 2023, respectively.

(9) RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consisted of the following at June 30th:

	<u>2024</u>	<u>2023</u>
Athletic support	\$ 10,000	\$ 5,000
Charter school support	2,246,007	2,507,237
Community support	227,791	250,000
CTE education	15,853	3,353
Extracurricular education	4,382	-
Learning loss support	163,901	14,333
Music education	1,257	415
PK-12 food service	1,606,825	1,204,444
Pre-K instruction	160,733	71,910
Teacher development	<u>8,040</u>	<u>-</u>
Net assets with donor restrictions	\$ <u>4,444,789</u>	\$ <u>4,056,692</u>

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(10) RETIREMENT PLAN

The majority of the employees of InspireNOLA participate in the Teachers' Retirement System of Louisiana (TRSL). The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description

The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit are required to become vested for retirement benefits and five years for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Funding Policy

Plan members are required to contribute 8% of their annual covered salary. InspireNOLA is required to contribute at an actuarially determined rate. The rate is 24.8% of annual eligible contributions for the TRSL and is established by state law, and rates are established by the Public Retirement System's Actuarial Committee. InspireNOLA's contributions to the plan for the years ended June 30, 2024 and 2023 were \$10,576,802 and \$10,950,948, respectively.

(11) LEASE COMMITMENTS

Operating leases with OPSB

InspireNOLA entered into lease agreements with the OPSB whereby each school has its own separate agreement which allows InspireNOLA to use the facilities and contents at each location. Lease terms range from June 30, 2023 through June 30, 2029 corresponding with each school's charter agreement.

All of the aforementioned leases call for payments based on a Use Fee and participation in OPSB's Per Pupil Unit Cost Program. The Use Fee is calculated annually and withheld from MFP funds by OPSB. The calculation is based on each charter school's per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Per Pupil Unit Cost Program, and includes any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(11) LEASE COMMITMENTS (CONTINUED)

Use of the properties in the aforementioned leases is not recorded as an in-kind contribution from, or related expense to, the OPSB as the value of the use of the land and building is not readily determinable. The agreements are classified as exchange transactions because both parties receive significant value from the arrangements.

Accordingly, the present value of the benefit to be received in future years has not been recorded.

For all OPSB leases, InspireNOLA is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules.

Operating Leases with Third Parties

In January 2023, InspireNOLA entered into a lease agreement for office space commencing January 2023 and ending in December 2025, with minimum monthly rent payments of \$11,894.

In August 2022, InspireNOLA entered into lease agreements for copiers commencing in August 2022 with ending dates from July 2024 through February 2027 with minimum monthly rent payments varying from \$1,500 to \$2,685.

Additional information about InspireNOLA's leases is as follows for the year ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 337,078	\$ 266,300
Cash paid for amounts in lease liabilities	337,078	266,300
Operating cash flows from operating leases	337,078	266,300
Right-of-use assets obtained in exchange		
For new operating lease liabilities	-	778,698
Weighted-average remaining lease term-		
operating leases (in years)	1.61	2.14
Weight average discount		
rate-operating leases	4.08%	3.52%

The maturities of lease liabilities as of June 30, 2024 are as follows:

2025	\$ 169,838
2026	89,365
2027	<u>9,362</u>
	<u>\$ 268,565</u>

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(12) CONCENTRATIONS OF CREDIT RISK

InspireNOLA maintains cash in bank accounts in excess of insured limits periodically. InspireNOLA has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. All of InspireNOLA 's cash is maintained in collateralized bank accounts.

(13) GRANT PROGRAM CONTINGENCIES

InspireNOLA participates in a number of state and federal grant programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that InspireNOLA has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2024 and 2023 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and InspireNOLA.

(14) ECONOMIC DEPENDENCY

InspireNOLA receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP) funding for the years ended June 30, 2024 and 2023 totaled \$64,624,819 and \$70,014,441, respectively. Funding was received from various federal grants passed through the State of Louisiana totaling \$20,003,982 and \$25,767,658 for the years ended June 30, 2024 and 2023, respectively. Other state funding was received totaling \$2,692,687 and \$1,313,500 for the years ended June 30, 2024 and 2023, respectively. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds InspireNOLA receives could be reduced significantly and have an adverse impact on its operations.

In October of 2024, NOLA-PS notified InspireNOLA and all the charter school operators authorized by the Orleans Parish School Board that NOLA-PS had made an error in forecasting tax revenues that would be distributed to charter schools in fiscal year 2025. NOLA-PS indicated that there could be up to \$36 million less to distribute to schools, compared to forecasts that they had provided to schools in March 2024. As of the report date, NOLA-PS officials are working to formalize a plan to mitigate the impact of their forecasting error as well as determining what the exact amount of the shortfall will be. InspireNOLA is presently determining what the potential impact, if any, will be on its operations.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024 AND 2023

(15) RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements to conform to the presentation of the current year financial statements. The reclassifications have no effect on net assets.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2023

	InspireNOLA Charter Schools	Friends of InspireNOLA	Eliminating Entries	2024 Total	2023 Total
<u>ASSETS:</u>					
Cash and cash equivalents	\$ 9,952,564	\$ 199,810	\$ -	\$ 10,152,374	\$ 10,686,432
Investments	26,806,109	-	-	26,806,109	16,715,858
Grant receivables	4,743,443	-	-	4,743,443	10,130,819
Other receivables	252,212	-	-	252,212	192,543
Prepaid expenses	1,592,562	-	-	1,592,562	1,212,878
Total current assets	43,346,890	199,810	-	43,546,700	38,938,530
<u>PROPERTY AND EQUIPMENT, NET</u>	2,417,324	-	-	2,417,324	3,034,805
<u>OTHER ASSETS:</u>					
Right of use assets, operating leases - net	269,851	-	-	269,851	609,197
Deposits	117,349	-	-	117,349	116,615
Total other assets	387,200	-	-	387,200	725,812
Total assets	<u>\$ 46,151,414</u>	<u>\$ 199,810</u>	<u>\$ -</u>	<u>\$ 46,351,224</u>	<u>\$ 42,699,147</u>
<u>CURRENT LIABILITIES:</u>					
Accounts payable	\$ 5,986,608	\$ -	\$ -	\$ 5,986,608	\$ 2,560,933
Accrued expenses	3,987,982	-	-	3,987,982	4,258,819
Current portion of operating leases	169,838	-	-	169,838	338,552
Current portion of long-term debt	100,000	-	-	100,000	100,000
Student activity funds	390,738	-	-	390,738	476,330
Total current liabilities	10,635,166	-	-	10,635,166	7,734,634
<u>NON-CURRENT LIABILITIES:</u>					
Operating leases, net of current portion	98,727	-	-	98,727	269,359
Long-term debt, net of current portion	-	-	-	-	100,000
Total non-current liabilities	98,727	-	-	98,727	369,359
Total liabilities	10,733,893	-	-	10,733,893	8,103,993
<u>NET ASSETS:</u>					
Without donor restrictions	30,972,732	199,810	-	31,172,542	30,538,463
With donor restrictions	4,444,789	-	-	4,444,789	4,056,691
Total net assets	35,417,521	199,810	-	35,617,331	34,595,154
Total liabilities and net assets	<u>\$ 46,151,414</u>	<u>\$ 199,810</u>	<u>\$ -</u>	<u>\$ 46,351,224</u>	<u>\$ 42,699,147</u>

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED INFORMATION AT JUNE 30, 2023

	InspireNOLA Charter Schools			Friends of InspireNOLA			Eliminating	2024	2023
	Without Donor	With Donor	Total	Without Donor	With Donor	Total	Entries	Total	Total
	Restrictions	Restrictions		Restrictions	Restrictions				
REVENUE:									
State/Local Minimum Foundation Program funding	\$ 64,624,819	\$ -	\$ 64,624,819	\$ -	\$ -	\$ -	\$ -	\$ 64,624,819	\$ 70,014,441
Federal grants	-	20,003,982	20,003,982	-	-	-	-	20,003,982	25,767,658
Other state funding	1,419,452	1,273,235	2,692,687	-	-	-	-	2,692,687	1,313,500
Grants and contributions	19,709	93,838	113,547	24,289	-	24,289	-	137,836	8,402,234
Investment income, net	1,327,557	-	1,327,557	-	-	-	-	1,327,557	442,576
Other income	5,011,088	176,158	5,187,246	235,381	-	235,381	-	5,422,627	994,944
Net assets released from restrictions	21,159,116	(21,159,116)	-	-	-	-	-	-	-
Total revenue	93,561,741	388,097	93,949,838	259,670	-	259,670	-	94,209,508	106,935,353
EXPENSES:									
Program services:									
General instructional	36,069,738	-	36,069,738	-	-	-	-	36,069,738	40,710,256
General non-instructional	32,642,561	-	32,642,561	-	-	-	-	32,642,561	29,017,493
Special education	14,632,405	-	14,632,405	-	-	-	-	14,632,405	14,977,351
Special programs	4,402,874	-	4,402,874	-	-	-	-	4,402,874	4,588,215
Administration	5,192,780	-	5,192,780	246,973	-	246,973	-	5,439,753	4,513,438
Total expenses	92,940,358	-	92,940,358	246,973	-	246,973	-	93,187,331	93,806,753
Change in net assets	621,383	388,097	1,009,480	12,697	-	12,697	-	1,022,177	13,128,600
Net assets, beginning of year	30,351,349	4,056,692	34,408,041	187,113	-	187,113	-	34,595,154	21,466,554
Net assets, end of year	\$ 30,972,732	\$ 4,444,789	\$ 35,417,521	\$ 199,810	\$ -	\$ 199,810	\$ -	\$ 35,617,331	\$ 34,595,154

(See Independent Auditors' Report)

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
COMBINING STATEMENT OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2024
WITH SUMMARIZED INFORMATION AT JUNE 30, 2023

	Inspire Support Team (IST)	Alice Harte Charter School	Edna Karr High School	Andrew Wilson Charter School	Capdau STEAM Charter School	Eleanor McMain Secondary School	Dwight Eisenhower Charter School	McDonogh 35 Senior High School	Pierre Capdau Charter School	Interfund Eliminations	2024 Total	2023 Total
<u>CURRENT ASSETS:</u>												
Cash and cash equivalents	\$ 9,561,826	\$ 56,563	\$ 145,248	\$ 19,542	\$ 26,294	\$ 45,151	\$ 67,062	\$ 30,878	\$ -	\$ -	\$ 9,952,564	\$ 10,499,319
Investments	26,806,109	-	-	-	-	-	-	-	-	-	26,806,109	16,715,858
Grant receivables	757,382	725,066	945,886	549,366	398,541	395,758	449,449	521,995	-	-	4,743,443	10,130,819
Other receivables	46,166	24,925	13,423	18,441	29,677	47,681	18,354	53,545	-	-	252,212	192,543
Due from pooled cash	9,738,388	5,384,412	6,037,512	2,782,977	599,817	726,906	1,620,247	3,138,338	-	(30,028,597)	-	-
Prepaid expenses	640,584	100,348	187,605	103,715	94,707	199,983	95,503	170,117	-	-	1,592,562	1,212,878
Total current assets	47,550,455	6,291,314	7,329,674	3,474,041	1,149,036	1,415,479	2,250,615	3,914,873	-	(30,028,597)	43,346,890	38,751,417
<u>PROPERTY AND EQUIPMENT, NET</u>	31,361	15,044	2,104,941	42,724	17,005	92,618	34,629	79,002	-	-	2,417,324	3,034,805
<u>OTHER ASSETS:</u>												
Right of use assets, operating leases - net	207,860	2,685	2,691	2,565	2,600	2,190	46,670	2,590	-	-	269,851	609,197
Deposits	734	12,944	19,651	22,178	37,734	24,108	-	-	-	-	117,349	116,615
Total other assets	208,594	15,629	22,342	24,743	40,334	26,298	46,670	2,590	-	-	387,200	725,812
Total assets	\$ 47,790,410	\$ 6,321,987	\$ 9,456,957	\$ 3,541,508	\$ 1,206,375	\$ 1,534,395	\$ 2,331,914	\$ 3,996,465	\$ -	\$ (30,028,597)	\$ 46,151,414	\$ 42,512,034
<u>CURRENT LIABILITIES</u>												
Accounts payable	\$ 3,932,867	\$ 266,661	\$ 283,680	\$ 310,791	\$ 280,583	\$ 317,859	\$ 180,120	\$ 414,047	\$ -	\$ -	\$ 5,986,608	\$ 2,560,933
Accrued expenses	393,256	493,726	772,412	425,101	390,081	520,841	427,936	564,629	-	-	3,987,982	4,258,819
Current portion of operating leases	137,206	2,685	2,691	2,565	2,600	2,190	17,311	2,590	-	-	169,838	338,552
Current portion of long-term debt	100,000	-	-	-	-	-	-	-	-	-	100,000	100,000
Due to pooled cash	27,707,202	90,289	832,904	397,278	234,394	354,655	361,284	50,591	-	(30,028,597)	-	-
Student activity funds	-	56,563	145,248	19,542	26,294	45,151	67,062	30,878	-	-	390,738	476,330
Total current liabilities	32,270,531	909,924	2,036,935	1,155,277	933,952	1,240,696	1,053,713	1,062,735	-	(30,028,597)	10,635,166	7,734,634
<u>NON-CURRENT LIABILITIES</u>												
Operating leases, net of current portion	70,654	-	-	-	-	-	28,073	-	-	-	98,727	269,359
Long-term debt, net of current portion	-	-	-	-	-	-	-	-	-	-	-	100,000
Total non-current liabilities	70,654	-	-	-	-	-	28,073	-	-	-	98,727	369,359
Total liabilities	32,341,185	909,924	2,036,935	1,155,277	933,952	1,240,696	1,081,786	1,062,735	-	(30,028,597)	10,733,893	8,103,993
<u>NET ASSETS</u>												
Without donor restrictions	12,975,427	5,059,473	7,004,369	2,075,741	142,530	32,742	1,007,067	2,675,383	-	-	30,972,732	30,351,349
With donor restrictions	2,473,798	352,590	415,653	310,490	129,893	260,957	243,061	258,347	-	-	4,444,789	4,056,692
Total net assets	15,449,225	5,412,063	7,420,022	2,386,231	272,423	293,699	1,250,128	2,933,730	-	-	35,417,521	34,408,041
Total liabilities and net assets	\$ 47,790,410	\$ 6,321,987	\$ 9,456,957	\$ 3,541,508	\$ 1,206,375	\$ 1,534,395	\$ 2,331,914	\$ 3,996,465	\$ -	\$ (30,028,597)	\$ 46,151,414	\$ 42,512,034

(See Independent Auditors' Report)

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
COMBINING STATEMENT OF ACTIVITIES BY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

	Inspire Support Team (IST)	Alice Harte Charter School	Edna Karr High School	Andrew Wilson Charter School	Capdau STEAM Charter School	Eleanor McMain Secondary School	Dwight Eisenhower Charter School	McDonogh 35 Senior High School	Pierre Capdau Charter School	Interfund Eliminations	2024 Total	2023 Total
<u>NET ASSETS WITHOUT DONOR RESTRICTIONS:</u>												
<u>REVENUE:</u>												
State/Local Minimum Foundation Program funding	\$ -	\$ 8,607,170	\$ 13,922,694	\$ 7,297,643	\$ 7,208,873	\$ 8,800,359	\$ 7,269,228	\$ 11,518,852	\$ -	\$ -	\$ 64,624,819	\$ 70,014,441
Federal grants	-	-	-	-	-	-	-	-	-	-	-	-
Other state funding	-	263,924	243,049	177,862	113,651	229,875	161,778	229,313	-	-	1,419,452	3,073
Grants and contributions	4,354	901	-	-	275	4,719	-	9,460	-	-	19,709	8,004,800
Investment income, net	1,327,557	-	-	-	-	-	-	-	-	-	1,327,557	-
Other income	166,431	729,717	988,447	572,662	584,805	584,367	483,693	900,965	1	-	5,011,088	667,734
Net assets released from restrictions	1,968,750	2,695,469	3,734,331	2,687,848	2,400,994	2,837,823	2,347,065	2,362,434	124,402	-	21,159,116	27,465,548
Total revenue	3,467,092	12,297,181	18,888,521	10,736,015	10,308,598	12,457,143	10,261,764	15,021,024	124,403	-	93,561,741	106,155,596
<u>EXPENSES:</u>												
Program services:												
General instructional	2,884,879	4,065,962	7,461,102	3,513,224	3,533,346	5,305,188	3,858,254	5,447,783	-	-	36,069,738	40,710,256
General non-instructional	1,461,900	4,077,499	5,299,406	3,776,932	3,788,894	5,184,951	3,521,955	5,531,024	-	-	32,642,561	29,017,493
Special education	1,755,408	1,690,139	2,298,439	1,438,832	1,696,103	1,692,650	1,626,259	2,434,575	-	-	14,632,405	14,977,351
Special programs	117,555	750,792	338,970	1,048,544	715,554	441,930	776,378	213,151	-	-	4,402,874	4,588,215
Administration	5,192,780	-	-	-	-	-	-	-	-	-	5,192,780	4,431,935
Total expenses	11,412,522	10,584,392	15,397,917	9,777,532	9,733,897	12,624,719	9,782,846	13,626,533	-	-	92,940,358	93,725,250
<u>TRANSFERS IN/OUT:</u>												
Transfers in	8,835,295	312,287	1,722,459	285,738	822,911	505,794	316,104	514,288	94	(13,314,970)	-	-
Transfers out	(233,043)	(1,728,989)	(4,433,283)	(1,266,497)	(841,934)	(1,141,834)	(1,222,977)	(1,935,877)	(510,536)	13,314,970	-	-
Total transfers in/out	8,602,252	(1,416,702)	(2,710,824)	(980,759)	(19,023)	(636,040)	(906,873)	(1,421,589)	(510,442)	-	-	-
Change in net assets without donor restrictions	656,822	296,087	779,780	(22,276)	555,678	(803,616)	(427,955)	(27,098)	(386,039)	-	621,383	12,430,346
<u>NET ASSETS WITH DONOR RESTRICTIONS:</u>												
State/Local Minimum Foundation Program funding	-	-	-	-	-	-	-	-	-	-	-	-
Federal grants	1,632,363	2,607,461	3,776,643	2,403,445	2,165,823	2,825,303	2,187,568	2,405,376	-	-	20,003,982	25,826,870
Other state funding	-	260,819	89,215	259,803	247,267	81,212	252,009	82,910	-	-	1,273,235	1,251,215
Grants and contributions	53,667	-	-	-	-	36,716	-	3,455	-	-	93,838	299,342
Investment income	-	-	-	-	-	-	-	-	-	-	-	-
Other income	50,000	1,776	18,947	104,145	617	32	17	624	-	-	176,158	721,218
Net assets released from restrictions	(1,968,750)	(2,695,469)	(3,734,331)	(2,687,848)	(2,400,994)	(2,837,823)	(2,347,065)	(2,362,434)	(124,402)	-	(21,159,116)	(27,465,548)
Change in net assets with donor restrictions	(232,720)	174,587	150,474	79,545	12,713	105,440	92,529	129,931	(124,402)	-	388,097	633,097
Net assets, beginning of year	15,025,123	4,941,389	6,489,768	2,328,962	(295,968)	991,875	1,585,554	2,830,897	510,441	-	34,408,041	21,344,598
Net assets, end of year	\$ 15,449,225	\$ 5,412,063	\$ 7,420,022	\$ 2,386,231	\$ 272,423	\$ 293,699	\$ 1,250,128	\$ 2,933,730	\$ -	\$ -	\$ 35,417,521	\$ 34,408,041

(See Independent Auditors' Report)

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Jamar McKneely, CEO</u>
	07/01/23
Time served	through
	<u>06/30/24</u>
Salary	\$ 270,000
Other compensation	53,100
Benefits - employer portion of TRSL	78,738
Benefits - employer portion of medical	7,948
Benefits - employer portion of life	3,143
Medicare	4,811
Car allowance	3,600
Communications	<u>647</u>
Total compensation, benefits, and other payments	<u><u>\$ 421,987</u></u>



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

To the Board of Directors of
InspireNOLA Charter Schools and Subsidiary
New Orleans, 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 consolidated financial statements of InspireNOLA Charter Schools and Subsidiary (a non-profit corporation), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered InspireNOLA Charter Schools and Subsidiary'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of InspireNOLA Charter Schools and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the InspireNOLA Charter Schools and Subsidiary'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.

To the Board of Directors
InspireNOLA Charter Schools and Subsidiary
New Orleans, Louisiana

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the InspireNOLA Charter Schools and Subsidiary'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 InspireNOLA Charter Schools and Subsidiary'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.

December 16, 2024
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants



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

To the Board of Directors of
InspireNOLA Charter Schools and Subsidiary
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited InspireNOLA Charter Schools and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of InspireNOLA Charter Schools and Subsidiary's major federal programs for the year ended June 30, 2024. InspireNOLA Charter Schools and Subsidiary's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, InspireNOLA Charter Schools and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of InspireNOLA Charter Schools and Subsidiary and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of InspireNOLA Charter Schools and Subsidiary's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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



To the Board of Directors
InspireNOLA Charter Schools and Subsidiary
New Orleans, Louisiana

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding InspireNOLA Charter Schools and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of InspireNOLA Charter Schools and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of InspireNOLA Charter School and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

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

To the Board of Directors
InspireNOLA Charter Schools and Subsidiary
New Orleans, Louisiana

Report on Internal Control over Compliance

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

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

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

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

December 16, 2024
New Orleans, Louisiana


Certified Public Accountants

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
Charter Schools	84.282	\$ 751,714
<i>Pass-through from Louisiana Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	3,544,260
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	\$ 1,693,351
Special Education - Preschool Grants	84.173	<u>23,085</u>
Total Special Education Cluster		1,716,436
Twenty-First Century Community Learning Centers	84.287	1,093,765
English Language Acquisition State Grants	84.365	33,782
Comprehensive Literacy Development	84.371	12,000
School Improvement Fund	84.377	33,600
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	116,000
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	9,122
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	7,363,138
COVID-19 American Rescue Plan Homeless Children and Youth	84.425W	<u>148,253</u>
Total Education Stabilization Fund		7,520,513
<i>Pass-through from New Orleans Business Alliance</i>		
Career and Technical Education - Basic Grants to States	84.048	136,217
<i>Pass-through from Administrators of the Tulane Educational Fund</i>		
Supporting Effective Educator Development Program	84.423	<u>121,717</u>
 Total U.S. Department of Education		 <u>15,080,004</u>
<u>U.S. Department of Agriculture</u>		
<i>Pass-through from Louisiana Department of Education</i>		
Child Nutrition Cluster		
National School Lunch Program	10.555	4,203,489
Summer Food Service Program for Children	10.559	<u>6,180</u>
Total Child Nutrition Cluster		4,209,669
Child and Adult Care Food Program	10.558	201,643
Fresh Fruit and Vegetable Program	10.582	<u>25,335</u>
 Total U.S. Department of Agriculture		 <u>4,436,647</u>
 Total expenditures of federal awards		 <u>\$ 19,516,651</u>

(See Independent Auditors' Report)

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of InspireNOLA Charter Schools and Subsidiary under programs of the federal government for the year ended June 30, 2024. The information in the schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of InspireNOLA Charter Schools and Subsidiary, it is not intended to and does not present the financial position, changes in net assets, or cash flows of InspireNOLA Charter Schools and Subsidiary.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Recognition

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2024.

Non-Cash Assistance

Nonmonetary assistance in the amount of \$70,093 is reported in the schedule of expenditures of federal awards as AL No. 10.555 at the fair market value of the commodities received and disbursed.

(3) INDIRECT COST RATE

InspireNOLA Charter Schools and Subsidiary has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the consolidated financial statements of InspireNOLA Charter Schools and Subsidiary.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the consolidated financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the consolidated financial statements were reported in the 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*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for InspireNOLA Charter Schools and Subsidiary expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were Special Education Cluster (AL No. 84.027 and 84.173), Charter Schools (AL No. 84.282), and Education Stabilization Fund (AL Nos. 84.425D, 84.425U, and 84.425W).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. InspireNOLA Charter Schools and Subsidiary was determined to be a low-risk auditee.
10. A management letter was issued for the year ended June 30, 2024.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the consolidated financial statements for the year ended June 30, 2024.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings related to major federal awards programs for the year ended June 30, 2024.

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

**I. INTERNAL CONTROL AND COMPLIANCE MATERIAL
TO THE FINANCIAL STATEMENTS**

Not applicable

**II. INTERNAL CONTROL AND COMPLIANCE MATERIAL
TO THE FEDERAL AWARDS**

Not applicable

III. MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2023.



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
InspireNOLA Charter Schools and Subsidiary
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of InspireNOLA Charter Schools and Subsidiary for the fiscal year ended June 30, 2024 and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of InspireNOLA Charter Schools and Subsidiary is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - a. Total General Fund Instructional Expenditures,
 - b. Total General Fund Equipment Expenditures,
 - c. Total Local Taxation Revenue,
 - d. Total Local Earnings on Investment in Real Property,
 - e. Total State Revenue in Lieu of Taxes,
 - f. Nonpublic Textbook Revenue,
 - g. Nonpublic Transportation Revenue.

Exceptions: No exceptions were found as a result of applying the procedure.



To the Board of Directors
InspireNOLA Charter Schools and Subsidiary

Class Size Characteristics (Schedule 2)

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

Exceptions: No exceptions were found as a result of applying the procedure.

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

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

Exceptions: Four employees' educational levels did not agree between the PEP report and the personnel file and two employees' years of experience did not agree between the PEP report and the personnel file.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

Exceptions: Two employees' salaries did not agree between the PEP report and the personnel file.

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



To the Board of Directors
InspireNOLA Charter Schools and Subsidiary

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

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

December 16, 2024
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2024

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	<u>Column A</u>	<u>Column B</u>
General Fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 19,867,418	
Other instructional staff salaries	2,728,834	
Instructional staff employee benefits	8,606,699	
Purchased professional and technical services	128,838	
Instructional materials and supplies	1,239,913	
Instructional equipment	<u>672,016</u>	
Total teacher and students interaction activities		\$ 33,243,718
Other instructional activities		1,238,977
Pupil support services	6,003,335	
Less: equipment for pupil support services	<u>-</u>	
Net pupil support services		6,003,335
Instructional staff services	2,808,668	
Less: equipment for instructional staff services	<u>-</u>	
Net instructional staff services		2,808,668
School administration	9,306,738	
Less: equipment for school administration	<u>-</u>	
Net school administration		<u>9,306,738</u>
Total General Fund instructional expenditures (total of column B)		<u><u>\$ 52,601,436</u></u>
Total General Fund equipment expenditures		<u><u>\$ 672,016</u></u>
<u>CERTAIN LOCAL REVENUE SOURCES</u>		
Total local taxation revenue		<u><u>\$ -</u></u>
Total local earnings on investment in real property		<u><u>\$ -</u></u>
Total state revenue in lieu of taxes		<u><u>\$ -</u></u>
Nonpublic textbook revenue		<u><u>\$ -</u></u>
Nonpublic transportation revenue		<u><u>\$ -</u></u>

(See Independent Accountants' Report on Applying Agreed-Upon Procedures)

INSPIRENOLA CHARTER SCHOOLS AND SUBSIDIARY
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2024
AS OF OCTOBER 1, 2023

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	10.18%	198	15.27%	297	4.58%	89	1.44%	28
Elementary/Activity Classes	1.18%	23	1.18%	23	0.15%	3	0.31%	6
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	23.86%	464	11.62%	226	15.32%	298	7.97%	155
High Activity Classes	3.34%	65	0.87%	17	0.87%	17	1.85%	36
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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



INSPIRE NOLA CHARTER SCHOOLS
CORRECTIVE ACTION PLAN – BESE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2024

December 16, 2024

Louisiana Legislative Auditor

Inspire NOLA Charter Schools respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Up Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: July 1, 2023 – June 30, 2024

The exceptions from the Agreed-Up Upon Procedures Report are discussed below:

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

Exceptions: Four employees' education levels did not agree between the PEP report and the personnel file and two employees' years of experience did not agree between the PEP report and the personnel file. Two employees' salaries did not agree between the PEP report and the personnel file.

Management's Response to Exceptions: InspireNOLA will add another layer of verification between review from the Data team and the Human Resources team to ensure data that is uploaded to the state system aligns to personnel records. This additional verification review will be handled by members of the Finance team before final submission to the LDOE.

If there are any questions regarding this plan, please call Charlie Mackles at (504) 227-3057.

Sincerely,

A handwritten signature in black ink, appearing to be "C. Mackles", written over a horizontal line.

Signature

Chief Financial Officer

Title



MANAGEMENT LETTER

To the Board of Directors and Management of
InspireNOLA Charter Schools and Subsidiary
New Orleans, Louisiana

In planning and performing our audit of the financial statements of the InspireNOLA Charter Schools and Subsidiary (InspireNOLA) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the *Louisiana Governmental Audit Guide*, we considered InspireNOLA's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the InspireNOLA's internal control. Accordingly, we do not express an opinion on the effectiveness of InspireNOLA's internal control.

However, during our audit, we became aware of matters that are an opportunity for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated December 16, 2024, on the financial statements of the InspireNOLA Charter Schools and Subsidiary.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestions with various InspireNOLA personnel, and we will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Our comment is summarized as follows:

2024-001 School Activity Funds

On February 7, 2024, it was discovered that a school level club sponsor had been accepting payments directly from parents that were due to the school. This form of payment collection is not allowed according to school policy. These payments have not been remitted to the school after numerous payment requests. The club sponsor has been separated from the school after a final request for the outstanding funds was not fulfilled. The amount of funds due has been estimated to be \$8,255.

InspireNOLA promptly alerted the relevant authorities including New Orleans' District Attorney's Office, and the New Orleans Police Department, the Louisiana Legislative Auditor, and its independent CPA firm to report the illegal activity. We recommend that InspireNOLA continue to review its school level policies and procedures on a regular basis.

2024-002 Retention Stipends

On January 31, 2024, InspireNOLA distributed a retention stipend to its teachers. These funds were allocated to InspireNOLA as differentiated compensation. The requirement for the distribution of such funding is that a plan must be approved by the governing board prior to disbursement.



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors and Management of
InspireNOLA Charter Schools and Subsidiary
December 16, 2024
Page 2

The Board of Directors subsequently approved the differentiated compensation plan on February 24, 2024. We recommend that InspireNOLA review its policies and procedures to ensure compliance with applicable requirements in the future.

This communication is intended solely for the information and use of management, the Board of Directors and others within the InspireNOLA Charter Schools and Subsidiary and is not intended to be and should not be used by anyone other than these specified parties.

December 16, 2024
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants



INSPIRE NOLA CHARTER SCHOOLS
CORRECTIVE ACTION PLAN – MANAGEMENT LETTER
FOR THE YEAR ENDED JUNE 30, 2024

December 16, 2024

Louisiana Legislative Auditor

Inspire NOLA Charter Schools respectfully submits the following corrective action plan for items identified in the management letter.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: July 1, 2023 – June 30, 2024

The comments from the management letter are discussed below:

2024-001 School Activity Funds

Comment: On February 7, 2024, it was discovered that a school level club sponsor had been accepting payments directly from parents that were due to the school. This form of payment collection is not allowed according to school policy. These payments have not been remitted to the school after numerous payment requests. The club sponsor has been separated from the school after a final request for the outstanding funds was not fulfilled. The amount of funds due has been estimated to be \$8,255.

InspireNOLA promptly alerted the relevant authorities including New Orleans' District Attorney's Office, and the New Orleans Police Department, the Louisiana Legislative Auditor, and its independent CPA firm to report the illegal activity. We recommend that InspireNOLA continue to review its school level policies and procedures on a regular basis.

Management's Response to Comment:

InspireNOLA will continue to have professional development sessions to ensure all school leadership communicates accurate and concise policy and procedure information to school club/athletic sponsors. Parent meetings will also be scheduled to ensure parents are aware of InspireNOLA policies and procedures regarding school clubs and teams.

2024-002 Retention Stipends

Comment: On January 31, 2024, InspireNOLA distributed a retention stipend to its teachers. These funds were allocated to InspireNOLA as differentiated compensation. The requirement for the distribution of such funding is that a plan must be approved by the governing board prior to disbursement.

The Board of Directors subsequently approved the differentiated compensation plan on February 24, 2024. We recommend that InspireNOLA review its policies and procedures to ensure compliance with applicable requirements in the future.

Management's Response to Comment:

InspireNOLA will ensure that proper guidance is reviewed and followed before distribution of legislative approved differentiated compensation stipends in the future.

If there are any questions regarding this plan, please call Charlie Mackles at (504) 227-3057.

Sincerely,



Signature

Chief Financial Officer

Title

INSPIRENOLA CHARTER SCHOOLS
AND SUBSIDIARY
LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED
JUNE 30, 2024



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
InspireNOLA Charter Schools
New Orleans, Louisiana

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 year ended June 30, 2024. InspireNOLA Charter Schools' management is responsible for those C/C areas identified in the SAUPs.

InspireNOLA Charter Schools 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 year ended 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 attached in Schedule "1."

We were engaged by InspireNOLA Charter Schools 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 InspireNOLA Charter Schools 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.

December 16, 2024
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

INSPIRENOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2024

WRITTEN POLICIES AND PROCEDURES

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including (1) preparing, (2) adopting, (3) monitoring, and (4) amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including (1) processing, (2) reviewing, and (3) approving.
 - d) ***Receipts/Collections***, including (1) receiving, (2) recording, and (3) preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

INSPIRE NOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of performing the procedures. As a charter school, InspireNOLA is not subject to sexual harassment requirements.

BOARD OR FINANCE COMMITTEE

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were found as a result of performing the procedures.

INSPIRE NOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

BANK RECONCILIATIONS

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of performing the procedures.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

INSPIRE NOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of performing the procedures.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.

INSPIRE NOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #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 found as a result of performing the procedures.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

INSPIRE NOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

- a) Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of performing the procedures.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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 policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of performing the procedures.

INSPIRE NOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

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. 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 that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe 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 was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of performing the procedures.

PAYROLL AND PERSONNEL

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #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).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

INSPIRE NOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of performing the procedures.

ETHICS

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of performing the procedures.

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.
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: No exceptions were found as a result of applying the procedures.

INSPIRE NOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

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.
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 found as a result of applying the procedures.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

27. Perform the following procedures:
- 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.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #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 – complete the training, and
 - Hired on or after June 9, 2020 - complete the training within 30 days of initial service or employment.

INSPIRE NOLA CHARTER SCHOOLS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

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

SEXUAL HARASSMENT

30. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, 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.
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).
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 it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results: Not applicable; as a charter school, InspireNOLA is not subject to sexual harassment laws or training requirements.