



Red River STEM, Inc.

FINANCIAL STATEMENTS

December 31, 2024



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REPORT





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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Red River STEM, Inc.
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Red River STEM, Inc. (a Louisiana nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Red River STEM, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Red River STEM, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Red River STEM, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head 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 March 31, 2025, on our consideration of Red River STEM, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Red River STEM, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Red River STEM, Inc.'s internal control over financial reporting and compliance.

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

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

Shreveport, Louisiana

March 31, 2025



FINANCIAL STATEMENTS



Red River STEM, Inc.
Statement of Financial Position

<i>December 31,</i>	2024
Assets	
Current assets	
Cash and cash equivalents	\$ 308,107
Accounts receivable, net	57,279
Grants receivable	87,833
<hr/>	
Total current assets	453,219
<hr/>	
Property and equipment, net	390,505
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Total assets	\$ 843,724
<hr/>	
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 116,313
Accrued liabilities	43,072
Contract liabilities	35,351
<hr/>	
Total current liabilities	194,736
<hr/>	
Total liabilities	194,736
<hr/>	
Net assets	
Without donor restrictions	454,312
With donor restrictions	194,676
<hr/>	
Total net assets	648,988
<hr/>	
Total liabilities and net assets	\$ 843,724
<hr/>	

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

Red River STEM, Inc.
Statement of Activities

<i>For the year ended December 31, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Grants	\$ 601,290	\$ 194,676	\$ 795,966
Contributions	79,688	-	79,688
Contributions of non-financial assets	53,893	-	53,893
City of Shreveport contract revenue	922,615	-	922,615
Admissions	648,942	-	648,942
IMAX	120,340	-	120,340
Outreach	20,938	-	20,938
Summer and holiday camps	51,570	-	51,570
Birthday parties	42,185	-	42,185
Special event revenue	59,173	-	59,173
Concessions	104,426	-	104,426
Fundraisers	19,738	-	19,738
Other	43,065	-	43,065
Net assets released from restrictions	89,791	(89,791)	-
Total revenues and support	2,857,654	104,885	2,962,539
Expenses			
<i>Program services</i>			
Exhibits and programs	2,327,704	-	2,327,704
Outreach	32,554	-	32,554
Total program services	2,360,258	-	2,360,258
<i>Supporting services</i>			
Management and general	478,827	-	478,827
Fundraising	27,569	-	27,569
Total supporting services	506,396	-	506,396
Total expenses	2,866,654	-	2,866,654
Change in net assets	(9,000)	104,885	95,885
Net assets at beginning of year	463,312	89,791	553,103
Net assets at end of year	\$ 454,312	\$ 194,676	\$ 648,988

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

Red River STEM, Inc.
Statement of Functional Expenses

<i>For the year ended December 31, 2024</i>	Program Services			Supporting Services			2024 Total
	Exhibits and Programs	Outreach	Program Services Subtotal	Management and General	Fundraising	Supporting Services Subtotal	
Payroll and related expenses	\$ 930,834	\$ 23,112	\$ 953,946	\$ 249,757	\$ -	\$ 249,757	\$ 1,203,703
IMAX	261,140	-	261,140	-	-	-	261,140
Animal care	6,656	-	6,656	-	-	-	6,656
Utilities	278,125	-	278,125	9,579	-	9,579	287,704
Contract labor	13,287	-	13,287	458	-	458	13,745
Depreciation	135,693	-	135,693	19,518	-	19,518	155,211
Repairs and maintenance	497,719	-	497,719	17,141	-	17,141	514,860
Insurance	52,460	-	52,460	4,021	-	4,021	56,481
Supplies	88,182	6,741	94,923	10,972	-	10,972	105,895
Licenses and fees	40,163	-	40,163	23,867	-	23,867	64,030
Legal and professional fees	-	-	-	104,758	-	104,758	104,758
Advertising and promotions	-	-	-	14,611	19,400	34,011	34,011
Travel	23,445	1,452	24,897	-	-	-	24,897
Fundraising	-	-	-	-	8,169	8,169	8,169
Other	-	1,249	1,249	24,145	-	24,145	25,394
Total	\$ 2,327,704	\$ 32,554	\$ 2,360,258	\$ 478,827	\$ 27,569	\$ 506,396	\$ 2,866,654

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

Red River STEM, Inc.
Statement of Cash Flows

For the year ended December 31, 2024

2024

Operating Activities

Change in net assets	\$	95,885
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation		155,211
Change in assets and liabilities		
Accounts receivable		(15,666)
Grants receivable		(52,574)
Contract assets		25,382
Accounts payable		(28,737)
Accrued liabilities		18,672
Contract liabilities		2,444

Net cash provided by (used in) operating activities		200,617
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Investing Activities

Purchase of property and equipment		(78,810)
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Net cash provided by (used in) investing activities		(78,810)
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Net change in cash and cash equivalents		121,807
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Cash and cash equivalents at beginning of period		186,300
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Cash and cash equivalents at end of period	\$	308,107
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Schedule of Certain Cash Flow Information

Cash paid for interest	\$	-
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The accompanying footnotes are an integral part of these financial statements.

Note 1: DESCRIPTION OF THE ORGANIZATION

Red River STEM, Inc. (RRSTEM) is a non-profit corporation formed under the laws of the State of Louisiana. RRSTEM provides an educational and entertaining environment for people of all ages to explore and actively participate in the world of science and technology. RRSTEM develops a comprehensive view of the world through the interaction of science and the humanities and serves as a catalyst to encourage lifelong learning. RRSTEM's support comes primarily from donor contributions, government grants, admissions, and memberships.

RRSTEM entered into a cooperative endeavor agreement (the CEA) on August 1, 2018 with the City of Shreveport (the City) to manage and operate the Sci-Port Discovery Center (the Center), see Note 9. The term of the agreement is to continue through December 2043, unless otherwise terminated. The agreement may be renewed by the parties for subsequent twenty-five year terms following the expiration of the primary term. RRSTEM or the City have the option to terminate the CEA at any time for any reason with 90 days prior written notice.

RRSTEM's program services consist of the following:

Exhibits and Programs – Sci-Port Discovery Center provides a fun, educational environment for people of all ages to explore and actively engage in the world of science, technology, engineering, and mathematics.

Outreach – RRSTEM's outreach staff provide educational programs designed to spark interest and curiosity in students about different science topics that have been appropriately adapted for varying age levels.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allocation of functional expenses.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of three months or less.

Accounts Receivable

Accounts receivable represent amounts owed to RRSTEM which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Contract Assets

Contract assets consist of unbilled receivables under RRSTEM's Cooperative Endeavor Agreement with the City of Shreveport. There were no contract assets at December 31, 2024.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract Liabilities

Income from membership fees, summer camp registration fees, special events, and birthday party deposits received in advance is deferred and recognized over the periods to which the fees and deposits relate.

Net Assets

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

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

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. As of December 31, 2024, RRSTEM has no net assets subject to perpetual restrictions.

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

Revenue Recognition

Revenue from admissions, memberships, sales, and payments under various contracts is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statement of financial position.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

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

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

Donated Assets

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

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by RRSTEM. No amounts related to donated services have been recorded for the year ended December 31, 2024, since the recognition criteria were not met. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Directly identifiable expenses are charged to programs and supporting services as applicable. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are payroll, contract labor, and insurance, which are allocated on the basis of estimates of time and effort; and utilities and building maintenance, which are allocated based on square footage.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

RRSTEM uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred and included in the total for advertising and promotions on the financial statements. For the year ended December 31, 2024, RRSTEM's advertising costs totaled \$25,728.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, RRSTEM is exempt from taxes on income other than unrelated business income. There were no unrelated business activities for the year ended December 31, 2024. Accordingly, no tax expense was incurred for the year ended December 31, 2024.

RRSTEM utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2024, RRSTEM has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2025, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

RRSTEM maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as RRSTEM's expenditures come due. The following reflects RRSTEM's financial assets as of the statement of financial position date available for general use within one year of the statement of financial position date:

<i>December 31,</i>	2024
Cash and cash equivalents	\$ 308,107
Accounts receivable, net	57,279
Grants receivable	87,833
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Financial assets available to meet general expenditures within one year	\$ 453,219

RRSTEM is primarily supported by memberships, admissions, the cooperative endeavor agreement with the City of Shreveport, and grants. As part of the RRSTEM'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. RRSTEM's net assets with donor restrictions are available for general expenditures within one year of December 31, 2024, because the restrictions on the net assets are expected to be met by conducting the normal activity of RRSTEM's programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

Note 4: ACCOUNTS AND GRANTS RECEIVABLE

Accounts receivable consist of the following:

<i>December 31,</i>	2024
City of Shreveport CEA	\$ 56,199
Admissions	1,080
Total accounts receivables	57,279
Less allowance for credit losses	-
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Accounts receivable, net	\$ 57,279

At December 31, 2024, RRSTEM considers accounts receivable to be fully collectible; accordingly, no allowance for credit losses has been established.

Receivables related to various grants of \$87,833 are expected to be collected within twelve months. At December 31, 2024, RRSTEM considers grants receivable to be fully collectible; accordingly, no allowance for uncollectible grants receivable has been established.

Red River STEM, Inc.
Notes to the Financial Statements

Note 5: PROPERTY AND EQUIPMENT

The components of property and equipment are as follows:

<i>December 31,</i>	Estimated Useful Lives (in years)	2024
Furniture, fixtures and equipment	5 - 10	\$ 66,655
Computers and software	5 - 7	45,182
Exhibits and IMAX Films	5 - 10	901,297
Total property and equipment		1,013,134
Less accumulated depreciation		(622,629)
Property and equipment, net		\$ 390,505

Depreciation expense for the year ended December 31, 2024, was \$155,211.

Note 6: NET ASSETS

A summary of net assets with donor restrictions follows:

<i>December 31,</i>	2024
Purpose restricted	
Operation of the Center	\$ 194,676
Total net assets with donor restrictions	\$ 194,676

A summary of the release of donor restrictions follows:

<i>For the year ended December 31,</i>	2023
Purpose restrictions	
Operation of the Center	\$ 89,791
Total net assets released from donor restrictions	\$ 89,791

Note 7: REVENUE

RRSTEM recognizes revenue over time for its annual memberships. As of December 31, 2024, there is \$35,351 of performance obligations to be satisfied, all of which is expected to be recognized in revenue in 2025. These performance obligations are based upon the remaining term of unexpired annual memberships. Patrons typically visit the Center throughout the one-year term of their memberships. As a result, RRSTEM recognizes annual membership revenue on a straight-line basis over the one-year period.

All remaining revenue recognized in accordance with FASB ASC 606 is recognized at a point in time. Revenue related to the CEA with the City of Shreveport is recognized when RRSTEM meets its performance obligations under the CEA. RRSTEM bills the City of Shreveport approximately monthly, and invoices are due on demand. All other contract revenue consists of a single delivery element with payment due upon delivery of services.

Disaggregated Revenue

A summary of disaggregated revenue recognized in accordance with FASB ASC 606 follows:

<i>For the year ended December 31,</i>	2024
City of Shreveport contract revenue	\$ 922,615
Admissions	648,942
IMAX	120,340
Summer and holiday camps	51,570
Birthday parties	42,185
Special event revenue	59,173
Concessions	104,426
Other	43,065
Total revenue recognized in accordance with FASB ASC 606	\$ 1,992,316

Approximately 2% of the revenue earned was recognized over time consisting of annual membership revenue, which is included in Admissions revenue above. The remaining 98% was recognized at a point in time and consisted of all remaining contract revenues.

RRSTEM's patrons are primarily the general public and school groups located in Northwest Louisiana.

Note 7: REVENUE (Continued)

Contract Balances

<u>December 31,</u>	<u>2024</u>
Contract assets, beginning of year	\$ 25,382
Contract assets, end of year	\$ -
Contract liabilities, beginning of year	\$ 32,907
Contract liabilities, end of year	\$ 35,351
Receivables from contracts, beginning of year	\$ 41,613
Receivables from contracts, end of year	\$ 57,279

Note 8: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

All contributions of non-financial assets were utilized in RRSTEM’s program services. There were no donor-imposed restrictions associated with the contributed non-financial assets received. The components of donated goods contributed to the Organization consists of the following for the year ended December 31, 2024:

<u>For the year ended December 31, 2024</u>	<u>Donated Goods</u>
Program services	
Exhibits and programs	\$ 53,893
Total contributions of non-financial assets	\$ 53,893

Donated goods are valued at the prices that would be paid for purchasing similar products.

Note 9: COOPERATIVE ENDEAVOR AGREEMENT WITH THE CITY OF SHREVEPORT

Under the terms of the CEA, the City shall provide appropriations of approximately \$135,000 annually. Additionally, the City reimburses RRSTEM for water services, gas/electric services, liability insurance on the building and property, and annual license with IMAX Corp. RRSTEM is responsible for the management and operation of the Center and may impose and collect admission fees, ticket fees, and other fees and charges comparable to those in effect at other centers. RRSTEM is responsible for submitting an operating and capital budget to the City each year.

Note 9: COOPERATIVE ENDEAVOR AGREEMENT WITH THE CITY OF SHREVEPORT (Continued)

Certain assets consisting of buildings, structures, improvements, immovable property, furnishings, fixtures, equipment and exhibits purchased with the City of Shreveport or State of Louisiana funds are owned by the City of Shreveport. The value of the land and buildings purchased with City of Shreveport or State of Louisiana funds and occupied or operated by RRSTEM is not included in the accompanying financial statements. Title to such land and buildings are held by the City of Shreveport.

Note 10: SCI-PORT FOUNDATION

Sci-Port Foundation (the Foundation) is a separate tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code. The Foundation was established during 2001 to support, benefit and carry out the purposes of Sci-Port Discovery Center through encouraging, motivating and facilitating donations to the Foundation for the benefit of the operator of the Center, receiving and managing funds contributed to the Foundation for the benefit of the Center, and making distributions of income and principal to or for the benefit of the Center. For the year ended December 31, 2024, \$0 was received from the Foundation.

Note 11: CONCENTRATIONS OF RISK

Credit Risk

Financial instruments that subject RRSTEM to concentrations of credit risk consist principally of cash and cash equivalents. At December 31, 2024, RRSTEM had cash deposits with financial institutions in excess of federally insured limits of \$84,618.

During the year ended December 31, 2024, support and revenue received from the City of Shreveport accounted for 31% of RRSTEM's total revenue.

Credit risk with respect to receivables is limited due to the number and credit worthiness of the corporations, governmental entities, and individuals who comprise the contributor base. Substantially all contributors are located in Louisiana. Generally, RRSTEM does not require collateral or other security to support receivables. At December 31, 2024, RRSTEM considers all receivables to be fully collectible; accordingly, no allowances have been established.

Note 11: CONCENTRATIONS OF RISK (Continued)

Geographic Concentration

RRSTEM conducts its operations solely in Northwest Louisiana, and, therefore, is subject to risks from changes in local economic conditions. A downturn in the local economy could cause a decrease in funding from the City of Shreveport, in addition to a decrease in contributions and grants.

Note 12: CONTINGENT LIABILITIES

RRSTEM receives grants that are subject to review and audit by the agencies providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.



SUPPLEMENTARY INFORMATION



Red River STEM, Inc.
Schedule of Compensation, Benefits, and
Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head Name: Dianne Clark, Executive Director

Purpose	Amount*
Salary and other compensation	\$ -
Benefits-insurance (health insurance premiums)	\$ -
Benefits-retirement	\$ -
Deferred compensation	\$ -
Car allowance	\$ -
Vehicle provided by agency	\$ -
Per diem	\$ -
Reimbursements	\$ -
Travel	\$ -
Registration fees	\$ -
Conference travel	\$ -
Housing	\$ -
Unvouchered expenses (example: travel advances, etc.)	\$ -
Special meals	\$ -
Other	\$ -

* The Agency Head does not receive compensation, benefits, and other payments that are derived from public funds.



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

To the Board of Directors
Red River STEM, Inc.
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Red River STEM, Inc. (a Louisiana nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Red River STEM, Inc.’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Red River STEM, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Red River STEM, Inc.’s internal control.

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

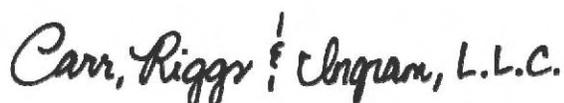
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Red River STEM, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



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

Shreveport, Louisiana
March 31, 2025

Red River STEM, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none noted

Noncompliance material to financial statements noted? yes no

Section II – Financial Statement Findings

None

Section III – Summary of Prior Year Findings

None



Red River STEM, Inc.

STATEWIDE AGREED-UPON PROCEDURES REPORT

December 31, 2024



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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Red River STEM, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Red River STEM, Inc.’s (RRSTEM’s) management is responsible for those C/C areas identified in the SAUPs.

Red River STEM, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period January 1, 2024 through December 31, 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 results are as follows:

Collections (excluding electronic funds transfers)

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

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

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

- a) Employees responsible for cash collections do not share cash drawers/registers;

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

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

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

- c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

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

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

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

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

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

- 4. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedures (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

- a) Observe that receipts are sequentially pre-numbered.

Results: Sequentially pre-numbered receipts are not utilized.

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

Results: As described in the results of procedure #4a above, we observed that receipts are not sequentially pre-numbered; however, we were able to trace receipts and other related collection documentation subject to this procedure to the related deposit slips without exception.

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

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

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Results: Based on the documentation provided, we were unable to determine if the deposits selected for this procedure were made within one business day of receipt.

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

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

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

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

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

- 6. For each location selected under procedure #5 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

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

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

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

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

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

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

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

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

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

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

- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

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

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #6 above, as applicable.

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

- 8. Using the entity's main operating account and the month selected in Bank Reconciliations procedures, 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 applying the procedure.

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

- 9. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: CRI obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards for the fiscal period and management's representation that the listing is complete.

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

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Results: For the three credit card statements subject to the procedure, there is no evidence that the statement and supporting documentation was reviewed and approved in writing by someone other than the cardholder.

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

Results: For one of the three credit card statements subject to the procedure, finance charges were assessed on the statement.

11. Using the monthly statements or combined statements selected under procedure #10 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: One of the twenty-four transactions subject to this procedure did not have an itemized receipt showing precisely what was purchased, as such, we were also unable to observe written documentation of the business or public purpose.

Contracts

12. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Results: The contracts selected for this procedure were not required to be bid in accordance with the Louisiana Public Bid Law, as such, this procedure is not applicable.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

Results: RRSTEM's policies did not require the contracts selected for this procedure to be approved by the board of directors, as such, this procedure is not applicable.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Results: The contracts selected for this procedure were not amended, as such, this procedure is not applicable.

- 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 applying the procedure.

Fraud Notice

- 13. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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

- 14. 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 procedure.

We were engaged by Red River STEM, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Red River STEM, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

April 25, 2025



Board of Directors

April 22, 2025

Kade McDonald, Chair

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Michael Mazur

Hallie McHallfey-Breitbart

Re: Management's Response to Agreed-Upon Procedures

Trent Millican

The Management of Red River STEM, Inc. has reviewed the Independent Accountants Report on Applying Agreed-Upon Procedures. We are in agreement with the report as provided by Carr, Riggs, & Ingram. In addition, Red River STEM, Inc. will implement changes or additions to its policies and procedures where necessary to meet the expectations identified in the report and future agreed-upon procedures engagements.

Anna O'Neal

Connor Peterson

K. Renae Pullen

Robert Stroud

Sincerely,

Edward Taylor

Dianne Clark

Dinero Washington

Executive Director

David Watters



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