



INSPIRE CHARTER ACADEMY, INC.

Financial Statements, Additional Information
as of and for the Year Ended June 30,
2025, Federal Awards Supplementary
Information as of and for the Year Ended
June 30, 2025 and Independent Auditor's
Reports

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INSPIRE CHARTER ACADEMY, INC.

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Independent Auditor's Report

To the Board of Directors
Inspire Charter Academy, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Inspire Charter Academy, Inc. (the "Academy"), which comprise the statement of financial position as of June 30, 2025 and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Academy as of June 30, 2025 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 (GAAS) 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 the Academy and to meet our 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

To the Board of Directors
Inspire Charter Academy, Inc.

In performing an audit in accordance with GAAS 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 the Academy'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 the Academy'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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Inspire Charter Academy, Inc.'s financial statements. The 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* (the "Uniform Guidance"), is presented for the purpose of additional analysis and is not a required part of the financial statements.

The schedule of expenditures of federal awards; the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards; and the schedule of compensation, benefits and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 expenditures of federal awards; the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards; and the schedule of compensation, benefits and other payments to agency head or chief executive officer are 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 8, 2025 on our consideration of Inspire Charter Academy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Inspire Charter Academy, 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 Inspire Charter Academy, Inc.'s internal control over financial reporting and compliance.

Plante & Moran, PLLC

December 8, 2025

INSPIRE CHARTER ACADEMY, INC.

STATEMENT OF FINANCIAL POSITION YEAR ENDED JUNE 30, 2025

ASSETS

CURRENT ASSETS:

Cash	\$ 70,331
Due from governmental revenue sources	<u>991,379</u>

TOTAL	<u><u>\$ 1,061,710</u></u>
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LIABILITIES AND NET ASSETS

LIABILITIES:

Deferred revenue	\$ 1,467
Accounts payable	1,060
Contracted service fee payable	<u>946,764</u>

Total liabilities	<u>949,291</u>
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NET ASSETS - Net Assets without Donor Restriction	<u>112,419</u>
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TOTAL	<u><u>\$ 1,061,710</u></u>
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See notes to financial statements.

INSPIRE CHARTER ACADEMY, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS YEAR ENDED JUNE 30, 2025

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

REVENUES, GAINS AND OTHER SUPPORT:

State aid	\$ 9,483,815
Federal sources	511,420
Private sources	65,581
In-kind contribution - NHA	<u>175,650</u>

Total revenues	<u>10,236,466</u>
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EXPENSES:

Contracted service fee	10,134,837
Expenses of the Board of Directors	<u>44,725</u>

Total expenses	<u>10,179,562</u>
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CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	56,904
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NET ASSETS:

Beginning of year	<u>55,515</u>
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End of year	<u><u>\$ 112,419</u></u>
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See notes to financial statements.

INSPIRE CHARTER ACADEMY, INC.

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

State aid	\$ 9,496,682
Federal sources	1,384,310
Private sources	48,598
Payments for services rendered	<u>(10,922,195)</u>

Net cash provided by operating activities	<u>7,395</u>
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NET INCREASE IN CASH	7,395
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CASH - Beginning of Year	<u>62,936</u>
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CASH - End of Year	<u><u>\$ 70,331</u></u>
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NON-CASH ACTIVITY - In-kind contribution from NHA	\$ 175,650
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INSPIRE CHARTER ACADEMY, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

1. NATURE OF OPERATIONS

Inspire Charter Academy, Inc. (the “Academy”) was incorporated on June 16, 2009 as a non-profit corporation under the laws of the State of Louisiana and began operations on July 1, 2010 as a public charter school as defined by the Charter School Demonstration Programs Law, LA. R.S. 17:3971 *et seq.* The Academy provides education based on rigorous teaching methods, parental involvement, student responsibility, and basic moral values. The Academy operates under a charter approved by the East Baton Rouge Parish School Board, which is responsible for oversight of the Academy’s operations. The charter expired June 30, 2024 and the Academy is in the process of renewing the charter through June 30, 2032. The Academy has met all required indicators related to the renewal and the East Baton Rouge Parish School Board Members have voted to approve the renewal. The Academy provides education, at no cost to the parent, to students in kindergarten through the eighth grade. Enrollment is open to all appropriately aged children without regard to gender, ethnic background, disability, and/or religious affiliation. The Academy has applied to the Internal Revenue Service for recognition of its exemption from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

The Academy’s primary source of revenue is provided by the State of Louisiana through its Minimum Foundation Program and consists of an amount per student multiplied by weighted average student counts. The state revenue, which passes through the East Baton Rouge Parish School Board, is recognized ratably over the school year and is funded through payments from July 2024 through June 2025.

The Board of Directors of the Academy has entered into a services agreement (the “agreement”) with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Academy operates. The agreement will continue until termination or expiration of the charter contract, unless at least 90 days written notice of intent to terminate or renegotiate is given by either the Academy or NHA.

Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources. Revenues – Contribution of nonfinancial assets represents a contribution granted by NHA for the excess of the Academy’s expenditures over revenue available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The financial statements of the Academy are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

Cash — Cash as of June 30, 2025 represents bank deposits which are covered by federal depository insurance.

Deferred Revenue — Deferred revenue as of June 30, 2025 consists of grant funds received for services which have not yet been performed. The School received cash related to grants of \$973,672 for June 30, 2025 that are conditioned upon incurring eligible expenditures for which \$969,112 of revenue was recognized at June 30, 2025 and \$1,467 has not yet been recognized as revenue.

Financial Statements — The financial statements are presented as follows:

Net assets and changes therein are classified and reported as follows:

- *Net Assets without Donor Restriction* — Net assets, which are not subject to donor, imposed or governmental stipulations. Net assets in this category may be expended for any purpose in performing the primary objectives of the Academy. All net assets as of June 30, 2025 are considered to be without donor restriction.
- *Net Assets with Donor Restriction* — Net assets subject to stipulations imposed by donors and grantors. As of June 30, 2025, no net assets are considered to be with donor restrictions.

Revenues and contributions are reported as follows:

- Revenues, gains and other support are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed or governmental restrictions. Expenses are reported as decreases in net assets without donor restriction. Other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or governmental restriction. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purposes have been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. For the year ended June 30, 2025, all revenue sources were without donor restriction.
- Revenue is recognized over the period earned, regardless of the timing of related cash flows. Grants are recognized as revenue as eligibility requirements are met, the related expenses are incurred, or services performed, in accordance with terms of the respective grant or contract agreement.

Income Taxes — The Academy operates as a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Academy has received notification from the Internal Revenue Service (IRS) that they are considered exempt from Federal income tax under Section 501(c)(3) of the internal revenue code. Accordingly, no provision for federal income taxes has been made.

Contribution of Nonfinancial assets — Included as revenue, gains, and other support in the Statement of Activities are contributions of nonfinancial assets also known as gifts in-kind. Contributed professional services are recognized if the services received a) create or enhance non-financial assets or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These services are recognized as program revenue and expense and are valued at the estimated fair market value for the services as provided by the donor.

3. DUE FROM GOVERNMENTAL SOURCES

Receivables as of June 30, 2025 for the Academy included \$724,650 in state aid receivable, \$242,333 in federal grants receivable, and \$24,396 in other receivables. The Academy considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

4. RISK MANAGEMENT

The Academy is exposed to various risks of loss related to general liability. Commercial insurance policies to cover certain risks of loss have been obtained. There have been no significant reductions in insurance coverage during fiscal year 2025, and claims did not exceed coverage less retained risk deductible amounts in past fiscal year.

5. CONTINGENCIES

The Academy has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

6. LIQUIDITY

The Academy has \$1,061,710 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$70,331 and amounts due from governmental revenue sources of \$991,379 at June 30, 2025. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Academy has a goal to maintain financial assets, which consist of cash and short-term receivables on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$1,696,594 at June 30, 2025.

While the Academy does not typically carry financial assets in excess of 60 days of normal operating expenses, due to their management agreement with NHA, NHA is required make contributions to the Academy if the Academy's expenditures exceed the Academy's revenue during the year.

7. FUNCTIONAL EXPENSES

The Academy provides educational services to its students. Expenses related to providing these services are as follows as of June 30, 2025:

Program Services	
Contracted service fee	\$ 9,006,379
Board expense	<u>44,725</u>
Total programs services	9,051,104
Management and general - Contracted service fee	<u>1,128,458</u>
Total	<u>\$ 10,179,562</u>

The costs of providing the program and support services are recorded on an actual basis, when possible. Certain expenses attributable to more than one function and require an allocation which is based on estimates determined by management, is consistently applied. Management and general expenses consist of expenditures incurred by the Academy based on their usage of management company services. Usage of management company services are calculated on a variety of different allocation methods based on various cost centers, including number of classrooms, number of students, and services provided. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different allocations.

8. LEASE

The Academy has entered into a sublease agreement with NHA for a facility to house the Academy. The lease term is from July 1, 2024, through June 30, 2025. Annual rental payments required by the lease are \$944,960, payable in twelve monthly payments of \$78,747. The lease agreement can be cancelled upon termination of the NHA services agreement.

The Academy is not a party to any leasing arrangements that meet the criteria for recognition of lease assets or liabilities under FASB ASC 842, *Leases*, based on the noncancellable period being less than twelve months and applicability of the short-term lease exception for the facility lease agreement.

The Academy subsequently renewed the sublease with NHA for the period July 1, 2025 through June 30, 2026, at the same rental rate.

9. COMPENSATION OF BOARD OF DIRECTORS

All members of the Board of Directors serve as volunteers without compensation. By resolution of the Board, Directors may be reimbursed for their reasonable expenses incident to their duties in accordance with applicable laws.

10. CONTRIBUTION OF NONFINANCIAL ASSETS

The Academy and NHA have entered into a services agreement (the “agreement”) for NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources. As part of the consideration received under the agreement, NHA also provides the facilities in which the Academy operates. The costs of services are recorded as program services or general and administrative. Contribution of nonfinancial assets represents an amount granted by NHA for excess Academy expenditures over public revenues available. Contributed nonfinancial assets did not have donor-imposed restrictions.

In-kind donations recognized by the Academy for the year ended June 30, 2025 were \$175,650 for professional and other services. Professional and other services are valued at the estimated fair value based on current rates for similar services.

11. SUBSEQUENT EVENTS

Events or transactions occurring after June 30, 2025 have been evaluated through December 8, 2025, the date the financial statements were available to be issued. The financial statements and notes thereto do not reflect events or transactions after this date.

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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*

Independent Auditor's Report

To Management and the Board of Directors
Inspire Charter Academy, Inc.

We have audited, 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, the basic financial statements of Inspire Charter Academy, Inc. (the "Academy"), which comprise the statement of financial position as of June 30, 2025 and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the basic financial statements and have issued our report thereon dated December 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy'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 the Academy'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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

December 8, 2025

SUPPLEMENTARY INFORMATION

LOUISIANA ACHIEVEMENT CHARTER ACADEMIES, INC.

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
OR CHIEF EXECUTIVE OFFICER
YEAR ENDED JUNE 30, 2025**

Agency Head Name: Alcinda Bell, Board President

Purpose	Amount
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-Other (describe)	-
Benefits-Other (describe)	-
Benefits-Other (describe)	-
Car allowance	-
Vehicle provided by government (enter amount reported on W-2)	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouched expenses (example: travel advances, etc.)	-
Special meals	-
Other	-

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors
Inspire Charter Academy, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Inspire Charter Academy, Inc.'s (the "Academy") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Academy's major federal program for the year ended June 30, 2025. The Academy's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2025.

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 (GAAS); 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* (the "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 the Academy 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 the Academy'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 the Academy's federal program.

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 the Academy'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 GAAS, *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 the Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Academy'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 the Academy'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 the Academy'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.

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.

To the Board of Directors
Inspire Charter Academy, Inc.

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.

Plante & Moreau, PLLC

December 8, 2025

INSPIRE CHARTER ACADEMY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2025

Program Title/Project Number/Subrecipient Name	Grant/Project Number	ALN Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipient
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture -										
Passed through East Baton Rouge Parish and Nutrition Program:										
Noncash Assistance (Commodities) -										
National School Lunch Program Bonus Commodities 2024-25	N/A	10.555	\$ 2,899	\$ -	\$ -	\$ -	\$ 2,899	\$ 2,899	\$ -	-
Cash Assistance:										
National School Lunch Program 2024-25	N/A	10.555	415,673	-	-	-	415,673	415,673	-	-
National School Snack Program 2024-25	N/A	10.555	1,269	-	-	-	1,269	1,269	-	-
National School Lunch Program Subtotal		10.555	416,942	-	-	-	416,942	416,942	-	-
National School Breakfast Program 2024-25	N/A	10.553	194,554	-	-	-	194,554	194,554	-	-
Total Child Nutrition Cluster			614,395	-	-	-	614,395	614,395	-	-
Other federal awards:										
Passed through East Baton Rouge Parish:										
Title I Grants to Local Educational Agencies:										
Title I Part A 2023-24	N/A	84.010	226,374	226,374	135,355	-	117,867	(12,663)	4,825	-
Title I Part A 2024-25	N/A	84.010	245,552	-	-	-	100,734	238,644	137,910	-
Total Title I Part A Grants to Local Educational Agencies		84.010	471,926	226,374	135,355	-	218,601	225,981	142,735	-
Title I Grants to Local Educational Agencies - School Re-Design:										
Title I Part A School Re-Design 2022-23	N/A	84.010	42,550	-	13,419	-	-	-	13,419	-
Title I Part A School Re-Design 2023-24	N/A	84.010	22,769	22,618	10,473	-	11,718	(10,807)	(12,052)	-
Title I Part A School Re-Design 2024-25	N/A	84.010	46,921	-	-	-	3,093	23,129	20,036	-
Total Title I Part A School Re-Design		84.010	112,240	22,618	23,892	-	14,811	12,322	21,403	-
Total Title I Grants to Local Educational Agencies			584,166	248,992	159,247	-	233,412	238,303	164,138	-
Title II - Supporting Effective Instruction State Grants:										
Title II Part A 2024-25	N/A	84.367	13,584	-	-	-	13,070	13,070	-	-
Striving Readers Comprehensive Literacy Grants:										
Striving Readers Comprehensive Literacy 2023-24	N/A	84.371C	60,000	46,231	46,231	-	17,149	-	29,082	-
Striving Readers Comprehensive Literacy 2024-25	N/A	84.371C	50,000	-	-	-	-	48,880	48,880	-
Total Striving Readers Comprehensive Literacy			110,000	46,231	46,231	-	17,149	48,880	77,962	-
Stronger Connections Grant 2023-2024	N/A	84.424F	8,816	-	-	-	7,502	7,735	233	-
Education Stabilization Fund Program - U.S. Department of Education										
Passed through East Baton Rouge Parish:										
COVID-19 ESSER Formula Fund II	N/A	84.425D	443,004	288,632	127,544	(127,544)	-	-	-	-
COVID-19 ESSER Formula Fund III	N/A	84.425U	826,600	772,216	772,216	(313,273)	488,797	29,854	-	-
Total Education Stabilization Fund Program			1,478,604	1,165,848	899,760	(440,817)	488,797	29,854	-	-
Total noncluster programs passed through the East Baton Rouge Parish			2,195,170	1,461,071	1,105,238	(440,817)	759,930	337,842	242,333	-
Total federal awards			\$ 2,809,565	\$ 1,461,071	\$ 1,105,238	\$ (440,817)	\$ 1,374,325	\$ 952,237	\$ 242,333	\$ -

See Notes to Schedule of Expenditures
of Federal Awards.

INSPIRE CHARTER ACADEMY, INC.

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2025

Revenue from federal sources - As reported on financial statements	\$ 511,420
Educational Stabilization funds reported as adjustments and transfers submitted in previous years which were not eligible for reimbursement	<u>440,817</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 952,237</u>

INSPIRE CHARTER ACADEMY, INC.

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Inspire Charter Academy (the "Academy") under programs of the federal government for the year ended June 30, 2025. 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* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Academy.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The Academy has elected not to use the 10 percent de minimis indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Non-Cash Assistance

The value of noncash assistance received was determined in accordance with the provisions of the Uniform Guidance and is included in the schedule of expenditures of federal awards.

Note 4 – Adjustments and Transfers

During the year, there were adjustments to ALN 84.425 Educational Stabilization Fund Program which represents funds submitted in previous years which were not eligible for reimbursement.

INSPIRE CHARTER ACADEMY, INC.

Schedule of Findings and Questioned Costs Year Ended June 30, 2025

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 that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
10.553, 10.555	Child Nutrition Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Section II - Financial Statement Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors, the Louisiana
Department of Education, and the Louisiana
Legislative Auditor

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Inspire Charter Academy, Inc. (the "Academy") for the fiscal year ended June 30, 2025 to determine whether the specified schedules are free of obvious errors and omissions in compliance with Louisiana Revised Statute 24:514 I. Management of the Academy is responsible for its performance and statistical data.

Management of the Academy has agreed to the procedures performed and acknowledged that they 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 the procedures performed and acknowledged that they are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all 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. We make no representation regarding the sufficiency of these procedures, either for the purpose intended or for any other purpose.

An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

1. We selected a random sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenue are classified correctly and are reported in the proper amounts among 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 Noted: None

To the Board of Directors, the Louisiana
Department of Education, and the Louisiana
Legislative Auditor

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 Noted: None

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

3. We obtained October 1 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 were properly classified on the PEP data (or equivalent listing prepared by management).

Exceptions Noted: Of the 25 teachers tested, we identified three exceptions related to differences in an individual's education level between the J-Campus (PEP equivalent) reports and the individual's personnel file. The personnel file for each of the three individuals tested noted a master's degree level of education, while the J-Campus (PEP equivalent) data showed a bachelor's degree for two individuals, and less than high school for the third individual, respectively.

Additionally, of the 25 teachers tested, we identified three exceptions related to differences of 27 years compared to 28 years, 9 years compared to 7 years, and 12 years compared to 11 years, respectively, between the J-Campus (PEP equivalent) reports and the individual's personnel file regarding years of experience.

Management's Response: We will adjust our filings in the future to correct the years of experience and education level for the individuals identified.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30 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 Noted: Of the 25 individuals tested, we identified 2 exceptions related to differences in the salary reported per J-Campus (PEP equivalent) and the salary per each individual's personnel file. The differences are noted below:

Finding	Salary per J-Campus	Salary per Personnel File	Difference
1	\$ 28,800	\$ 63,700	\$ (34,900)
2	60,480	60,491	(11)

Management's Response: We will adjust our filings in the future to correct the salaries reported.

To the Board of Directors, the Louisiana
Department of Education, and the Louisiana
Legislative Auditor

We were engaged by management of the Academy 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 (AICPA), and the standards applicable to attestation engagements contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Academy 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 the performance and statistical data accompanying the annual financial statements of Inspire Charter Academy, Inc., as required by Louisiana Revised Statute 24:514 I, and the results of that testing and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. The report is also intended solely for the information and use of the board of directors and management of the Academy, the Louisiana Department of Education, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, the report will be distributed by the Louisiana Legislative Auditor as a public document.

Plante & Moran, PLLC

East Lansing, Michigan
December 8, 2025

Inspire Charter Academy, Inc.

Schedules Required by State Law (R.S. 24:514.I - Performance and Statistical Data)

As of and for the Year Ended June 30, 2025

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

This schedule includes General Fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70 percent Expenditure Requirement Report.

Schedule 2 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

**INSPIRE CHARTER ACADEMY, INC.
BATON ROUGE, LOUISIANA**

Schedule 1

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

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 3,050,986
Other Instructional Staff Salaries	150,879
Instructional Staff Employee Benefits	737,296
Purchased Professional and Technical Services	154,939
Instructional Materials and Supplies	285,187
Instructional Equipment	35,391

Total Teacher and Student Interaction Activities 4,414,678

Other Instructional Activities 167,169

Pupil Support Services 431,351

Less: Equipment for Pupil Support Services -

Net Pupil Support Services 431,351

Instructional Staff Services 342,247

Less: Equipment for Instructional Staff Services -

Net Instructional Staff Services 342,247

School Administration 1,281,573

Less: Equipment for School Administration -

Net School Administration 1,281,573

Total General Fund Instructional Expenditures \$ 6,637,018

Total General Fund Equipment Expenditures \$ 35,391

See independent accountant's report on applying agreed-upon procedures.

INSPIRE CHARTER ACADEMY, INC.
BATON ROUGE, LOUISIANA
Class Size Characteristics
As of October 1, 2024

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	8.02%	15	65.24%	122	26.74%	50	0.00%	0
Elementary Activity Classes								
Middle Jr. High								
Middle Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

See independent accountant's report on applying agreed-upon procedures.