

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**

**NEW ORLEANS, LOUISIANA**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025 AND 2024**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Management of  
Crescent City Schools and Subsidiary  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Crescent City Schools and Subsidiary (a nonprofit corporation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Crescent City Schools and Subsidiary as of June 30, 2025 and 2024, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crescent City Schools and Subsidiary 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



To the Board of Directors and Management of  
Crescent City Schools and Subsidiary  
New Orleans, Louisiana

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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



To the Board of Directors and Management of  
Crescent City Schools and Subsidiary  
New Orleans, Louisiana

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information contained in Schedules “1” through “4” is presented for the purposes of additional analysis and is also not a required part of the consolidated financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head (Schedule “5”), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of Crescent City Schools and Subsidiary’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Crescent City Schools and Subsidiary’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crescent City Schools and Subsidiary’s internal control over financial reporting and compliance.

December 15, 2025  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

## **FINANCIAL STATEMENTS**

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b><u>CURRENT ASSETS:</u></b>		
Cash and cash equivalents	\$ 1,382,156	\$ 1,957,311
Investments	12,226,053	13,859,636
Grant receivables	318,545	956,463
Other receivables	125,945	115,064
Prepaid expenses	<u>761,994</u>	<u>71,667</u>
 Total current assets	 <u>14,814,693</u>	 <u>16,960,141</u>
 <b><u>PROPERTY AND EQUIPMENT, NET</u></b>	 <u>12,026,167</u>	 <u>10,058,288</u>
 <b><u>OTHER ASSETS:</u></b>		
Right of use assets - operating leases, net	485,742	247,168
Deposits	<u>112,018</u>	<u>52,035</u>
 Total other assets	 <u>597,760</u>	 <u>299,203</u>
 Total assets	 <u>\$ 27,438,620</u>	 <u>\$ 27,317,632</u>
 <b><u>CURRENT LIABILITIES:</u></b>		
Accounts payable	\$ 1,294,511	\$ 1,433,304
Accrued expenses	1,169,420	1,282,351
Current portion of operating leases	144,443	50,170
Current portion of long-term debt	<u>237,208</u>	<u>225,758</u>
 Total current liabilities	 <u>2,845,582</u>	 <u>2,991,583</u>
 <b><u>NON-CURRENT LIABILITIES:</u></b>		
Operating leases, net of current portion	341,299	196,998
Long-term debt, net of current portion and deferred financing fees	<u>6,609,227</u>	<u>6,738,065</u>
 Total non-current liabilities	 <u>6,950,526</u>	 <u>6,935,063</u>
 Total liabilities	 <u>9,796,108</u>	 <u>9,926,646</u>
 <b><u>NET ASSETS:</u></b>		
Without donor restrictions	17,270,235	16,992,961
With donor restrictions	<u>372,277</u>	<u>398,025</u>
 Total net assets	 <u>17,642,512</u>	 <u>17,390,986</u>
 Total liabilities and net assets	 <u>\$ 27,438,620</u>	 <u>\$ 27,317,632</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<b><u>REVENUE:</u></b>			
Minimum Foundation Program funding	\$ 34,798,627	\$ -	\$ 34,798,627
Federal grants	7,268,891	-	7,268,891
Other state/local funding	6,194,619	-	6,194,619
Private contributions and grants of financial assets	754,407	400,000	1,154,407
Contributions of nonfinancial assets	98,333	-	98,333
Investment income	559,429	-	559,429
Other income	952,010	-	952,010
Net assets released from restrictions	<u>425,748</u>	<u>(425,748)</u>	<u>-</u>
 Total revenue	 <u>51,052,064</u>	 <u>(25,748)</u>	 <u>51,026,316</u>
<b><u>EXPENSES:</u></b>			
Program services:			
General instructional	18,771,966	-	18,771,966
General non-instructional	18,807,639	-	18,807,639
Special education	9,037,466	-	9,037,466
Special programs	1,418,797	-	1,418,797
Support services:			
Administration	<u>2,738,922</u>	<u>-</u>	<u>2,738,922</u>
 Total expenses	 <u>50,774,790</u>	 <u>-</u>	 <u>50,774,790</u>
 Change in net assets	 277,274	 (25,748)	 251,526
 Net assets, beginning of year	 <u>16,992,961</u>	 <u>398,025</u>	 <u>17,390,986</u>
 Net assets, end of year	 <u>\$ 17,270,235</u>	 <u>\$ 372,277</u>	 <u>\$ 17,642,512</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<b><u>REVENUE:</u></b>			
Minimum Foundation Program funding	\$ 34,829,451	\$ -	\$ 34,829,451
Federal grants	10,587,805	-	10,587,805
Other state/local funding	3,433,218	-	3,433,218
Private contributions and grants of financial assets	3,097,692	479,769	3,577,461
Contributions of nonfinancial assets	259,119	-	259,119
Investment income	431,264	-	431,264
Other income	549,321	-	549,321
Net assets released from restrictions	<u>128,637</u>	<u>(128,637)</u>	<u>-</u>
 Total revenue	 <u>53,316,507</u>	 <u>351,132</u>	 <u>53,667,639</u>
<b><u>EXPENSES:</u></b>			
Program services:			
General instructional	20,813,963	-	20,813,963
General non-instructional	18,592,842	-	18,592,842
Special education	7,637,757	-	7,637,757
Special programs	1,347,419	-	1,347,419
Support services:			
Administration	<u>2,570,230</u>	<u>-</u>	<u>2,570,230</u>
 Total expenses	 <u>50,962,211</u>	 <u>-</u>	 <u>50,962,211</u>
 Change in net assets	 2,354,296	 351,132	 2,705,428
 Net assets, beginning of year	 <u>14,638,665</u>	 <u>46,893</u>	 <u>14,685,558</u>
 Net assets, end of year	 <u>\$ 16,992,961</u>	 <u>\$ 398,025</u>	 <u>\$ 17,390,986</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services				Support Services	
	General	General	Special	Special	Administration	Total
	Instructional	Non-Instructional	Education	Programs		
Salaries	\$ 12,959,097	\$ 6,360,164	\$ 6,618,590	\$ 1,049,702	\$ 1,290,128	\$ 28,277,681
Employee benefits	1,632,520	949,584	874,601	144,994	345,388	3,947,087
Retirement	417,952	185,448	201,515	31,656	58,430	895,001
Payroll taxes	981,679	474,872	502,009	78,475	89,142	2,126,177
Purchased educational services	742,121	-	453,362	-	5,493	1,200,976
Other purchased professional services	3,305	159,692	71,903	-	220,521	455,421
Purchased technical services	88,762	856,851	-	-	31,645	977,258
Utilities	-	639,609	-	-	30,576	670,185
Repairs and maintenance	-	1,737,640	-	-	2,070	1,739,710
Rentals	203,138	62,492	-	-	5,363	270,993
Student transportation	-	1,198,294	256,135	-	-	1,454,429
Insurance	-	939,488	-	-	6,091	945,579
Communications	310,764	23,527	-	-	2,696	336,987
Advertising, printing, and binding	-	44,165	-	-	119,707	163,872
Food service	-	3,062,899	-	60,069	37,365	3,160,333
Travel	6,685	269	-	-	12,763	19,717
Miscellaneous purchased services	173,547	-	-	-	-	173,547
Materials and supplies	1,088,255	399,339	36,564	51,135	19,698	1,594,991
Books and periodicals	164,141	-	22,787	2,766	-	189,694
Dues and fees	-	1,128,176	-	-	25,833	1,154,009
Depreciation	-	579,595	-	-	27,707	607,302
Interest	-	5,535	-	-	408,306	413,841
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 18,771,966</u>	<u>\$ 18,807,639</u>	<u>\$ 9,037,466</u>	<u>\$ 1,418,797</u>	<u>\$ 2,738,922</u>	<u>\$ 50,774,790</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services				Support Services	
	General Instructional	General Non-Instructional	Special Education	Special Programs	Administration	Total
Salaries	\$ 13,655,274	\$ 5,071,220	\$ 5,318,524	\$ 945,152	\$ 1,199,154	\$ 26,189,324
Employee benefits	1,421,897	699,048	636,631	109,050	284,738	3,151,364
Retirement	460,515	157,815	183,064	32,556	49,537	883,487
Payroll taxes	1,016,321	373,333	404,473	69,655	82,220	1,946,002
Purchased educational services	896,216	-	666,763	95	35,976	1,599,050
Other purchased professional services	14,793	236,050	52,709	-	138,691	442,243
Purchased technical services	178,134	719,813	-	-	33,761	931,708
Utilities	-	638,028	-	-	34,033	672,061
Repairs and maintenance	-	1,928,809	-	-	-	1,928,809
Rentals	176,572	331,706	-	-	227	508,505
Student transportation	-	1,779,517	350,112	-	-	2,129,629
Insurance	-	808,632	-	-	5,753	814,385
Communications	364,418	229,729	-	-	10,112	604,259
Advertising, printing, and binding	-	133,069	-	-	132,677	265,746
Food service	-	3,296,442	-	119,426	35,143	3,451,011
Travel	1,959	12	-	-	15,023	16,994
Miscellaneous purchased services	175,543	-	-	1,096	-	176,639
Materials and supplies	1,769,232	444,443	18,397	53,127	56,615	2,341,814
Books and periodicals	635,783	-	7,084	17,262	-	660,129
Dues and fees	47,306	1,286,000	-	-	17,155	1,350,461
Depreciation	-	453,193	-	-	21,651	474,844
Interest	-	5,983	-	-	417,764	423,747
	<u>\$ 20,813,963</u>	<u>\$ 18,592,842</u>	<u>\$ 7,637,757</u>	<u>\$ 1,347,419</u>	<u>\$ 2,570,230</u>	<u>\$ 50,962,211</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ 251,526	\$ 2,705,428
Adjustments to reconcile change in net assets to cash and cash equivalents from (used for) operating activities:		
Depreciation expense	607,302	474,844
Amortization expense	82,389	82,388
(Increase) decrease in:		
Grant receivables	637,918	2,654,317
Other receivables	(10,881)	2,562,289
Prepaid expenses	(690,327)	266,938
Deposits	(59,983)	-
Increase (decrease) in:		
Accounts payable	(138,793)	(1,422,237)
Accrued expenses	(112,931)	96,724
	<u>566,220</u>	<u>7,420,691</u>
Net cash from operating activities		
<b><u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u></b>		
Capital expenditures	(2,575,181)	(952,038)
Purchase of investments	(22,367,871)	(13,041,265)
Proceeds from sale of investments	24,001,454	4,975,000
	<u>(941,598)</u>	<u>(9,018,303)</u>
Net cash (used for) investing activities		
<b><u>CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES:</u></b>		
Payments on loans payable	(199,777)	(189,872)
	<u>(199,777)</u>	<u>(189,872)</u>
Net cash (used for) financing activities		
Net (decrease) in cash and cash equivalents	(575,155)	(1,787,484)
Cash and cash equivalents, beginning of year	1,957,311	3,744,795
Cash and cash equivalents, end of year	<u>\$ 1,382,156</u>	<u>\$ 1,957,311</u>

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

**Nature of Activities**

Crescent City Schools (CCS) is a Louisiana not-for-profit organization incorporated on June 8, 2010 for the purpose of operating charter schools. CCS was created to support and develop open enrollment charter schools that raise student achievement and prepare students for college.

The Board of Elementary and Secondary Education (BESE) approved the granting of a charter to Crescent City Schools effective May 18, 2011 to operate a Type 5 Charter School, as defined in LA.R.S. 17:3996. Crescent City Schools commenced operations with the 2011-2012 school year. On July 1, 2018, the individual schools became Type 3B charters schools. As of June 30, 2025, Crescent City Schools operates three charter schools as listed below as authorized by the operating agreements between Orleans Parish School Board (OPSB) and CCS:

<u>School</u>	<u>Type</u>	<u>Term Date</u>
Mildred Osborne Charter School	Type 1	June 30, 2028
Harriet Tubman Charter School	Type 3B	June 30, 2031
Dorothy Height Charter School	Type 3B	June 30, 2026

During the year ended June 30, 2023, CCS agreed to voluntarily relinquish its charter for Akili Academy Charter School to OPSB in exchange for a new Type 1 Charter agreement to operate Mildred Osborne Charter School beginning July 1, 2023 and expiring on June 30, 2028. CCS agreed to guarantee seats at Mildred Osborne Charter School to all students who had been attending Akili Academy Charter School and to all students who had been attending Mildred Osborne Charter School (which was previously operated by ARISE Schools).

**Principles of Consolidation**

These financial statements have been consolidated to include all accounts of CCS and its subsidiary, Crescent City Schools Foundation (the Foundation). The accompanying consolidated financial statements are presented on a consolidated basis and significant intercompany accounts have been eliminated.

The Foundation is a Louisiana not-for-profit organization incorporated on July 15, 2019 for the purpose of supporting the operating charter schools. The Foundation was organized exclusively for the benefit of, to perform the functions of, and to carry out the purpose of CCS. This entity will be consolidated in the financial statements of CCS due to common controlling and economic interests with CCS. Throughout, the Foundation and the CCS will be collectively referred to as “CCS”.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)  
JUNE 30, 2025 AND 2024

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

**Method of Accounting and Financial Report Framework**

Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board (FASB).

**Basis of Presentation**

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

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

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

**Use of Estimates**

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

**Cash and Cash Equivalents**

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

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)  
JUNE 30, 2025 AND 2024

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

**Investments**

CCS invests in Louisiana Asset Management Pool (LAMP), which is administered by LAMP, Inc. a non-profit corporation incorporated in the State of Louisiana. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The investment in LAMP is valued at fair value, which is determined weekly by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

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

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

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

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

No Level 1 or Level 3 inputs were used by CCS during the years ended June 30, 2025 and 2024.

**Receivables**

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for credit losses and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2025 and 2024, no allowance has been recorded as management considers all receivables to be fully collectible.

**Property and Equipment and Depreciation**

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

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)**  
**JUNE 30, 2025 AND 2024**

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

**Property and Equipment and Depreciation (continued)**

Depreciation is computed using the straight-line method over the following useful lives:

Leasehold improvements	5 years
Vehicles	5 years
Furniture and fixture	5 to 10 years
Buildings and improvements	15 to 30 years

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

**Impairment of Long-Lived Assets**

CCS reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects and the effects of obsolescence, demand, competition and other economic factors. CCS did not recognize an impairment loss during the years ended June 30, 2025 and 2024.

**Revenue Recognition and Deferred Revenue**

Program income and other sources of income are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied, or when performance obligations are met. Prior to the adoption of ASC 606, CCS recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)  
JUNE 30, 2025 AND 2024

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

**Revenue Recognition (continued)**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. CCS reports contributions of cash or other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the consolidated statement of activities. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Revenues from federal and state grants are recorded when CCS has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by CCS, or when otherwise earned under the terms of the grants. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the consolidated statements of financial position.

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

**Leases**

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

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

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)  
JUNE 30, 2025 AND 2024

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

**Leases (Continued)**

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

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

**Functional Expenses**

The costs of providing the various programs and other activities of CCS have been summarized on a functional basis in the consolidated statements of activities. Directly identifiable expenses are charged to programs, support services, and non-instructional services. The financial statements of CCS report certain categories of expenses that are attributable to more than one program or supporting function. The majority of expenses are allocated based on actual time and effort. However, several expenses (e.g., utilities, supplies, repairs and maintenance, etc.) require allocation based on usage (e.g., building square footage, estimated consumption, etc.) by each function.

**Income Tax Status**

CCS has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to income tax unless it has unrelated trade or business income. Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination.

As of June 30, 2025, CCS believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2020 and later remain subject to examination by the taxing authorities.

**Date of Management's Review**

Subsequent events have been evaluated through December 15, 2025, which is the date the financial statements were available to be issued.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)**  
JUNE 30, 2025 AND 2024

**(2) STATEMENT OF CASH FLOW SUPPLEMENTARY DISCLOSURES**

Supplemental disclosures of cash flow information at June 30<sup>th</sup>:

Cash paid during the year for:	<u>2025</u>	<u>2024</u>
Interest	\$ <u>331,452</u>	\$ <u>341,358</u>

**(3) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects CCS's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include debt service. However, amounts already appropriated from the restricted deposits and funded reserves for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	<u>2025</u>	<u>2024</u>
Financial assets at year-end	\$ 14,052,699	\$ 16,888,474
Less those unavailable for general expenditure within one year due to:		
Debt service	<u>(237,208)</u>	<u>(225,758)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 13,815,491</u>	<u>\$ 16,662,716</u>

As part of the CCS'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. CCS's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of operating expenses. CCS regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources of CCS. In addition, CCS operates with a budget and monitors sources and uses of funds throughout the year by comparing budget to actual operating expenses.

**(4) INVESTMENTS**

The fair value of Level 2 investments is as follows at June 30<sup>th</sup>:

	<u>2025</u>	<u>2024</u>
LAMP	\$ <u>12,226,053</u>	\$ <u>13,859,636</u>
Total investments	<u>\$ 12,226,053</u>	<u>\$ 13,859,636</u>

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)**  
JUNE 30, 2025 AND 2024

**(4) INVESTMENTS (CONTINUED)**

Investment income consists as follows for the years ended June 30<sup>th</sup>:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 559,429	\$ 431,264
Total investment income	<u>\$ 559,429</u>	<u>\$ 431,264</u>

**(5) GRANT RECEIVABLES**

Grant receivables consist of the following at June 30<sup>th</sup>:

	<u>2025</u>	<u>2024</u>
Due from State of Louisiana	\$ 318,545	\$ 952,963
Due from local government	-	-
Due from other	-	3,500
	<u>\$ 318,545</u>	<u>\$ 956,463</u>

**(6) PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30<sup>th</sup>:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,186,888	\$ 777,622
Leasehold improvements	859,580	841,543
Vehicles	143,890	100,930
Furniture and fixture	1,392,178	1,081,597
Buildings and improvements	9,374,398	9,257,517
Construction in progress	<u>1,685,265</u>	<u>7,808</u>
	14,642,199	12,067,017
Less: accumulated depreciation	<u>(2,616,032)</u>	<u>(2,008,729)</u>
Property and equipment, net	<u>\$ 12,026,167</u>	<u>\$ 10,058,288</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$607,302 and \$474,844, respectively.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)**  
JUNE 30, 2025 AND 2024

**(7) LONG-TERM DEBT**

CCS has long-term notes payable as follows at June 30<sup>th</sup>:

	<u>2025</u>	<u>2024</u>
Credit loan payable to financial institution, with variable monthly principle/interest payments, maturing in July 2026, collateralized by real property, and an annual percentage rate of 4.25%.	\$ 1,791,438	\$ 1,825,600
Credit loan payable to financial institution, with variable monthly principle/interest payments, maturing in July 2026, collateralized by real property, and an annual percentage rate of 6.25%.	722,862	742,641
Credit loans payable to financial institution, with variable monthly principle/interest payments, maturing in July 2026, collateralized by real property, and annual percentage rates of 6.25% and 3.00%.	544,942	587,876
Credit loan payable to financial institution, with variable monthly principle/interest payments, maturing in July 2026, collateralized by real property, and an annual percentage rate of 4.50%.	3,887,442	3,990,344
	6,946,684	7,146,461
Less: deferred financial costs	(100,249)	(182,638)
Less: current portion of long-term debt	(237,208)	(225,758)
Total long-term debt, net	\$ 6,609,227	\$ 6,738,065

The maturities of long-term debt for next five years ending June 30<sup>th</sup> and thereafter are as follows:

2026	\$ 237,208
2027	6,709,476
	\$ 6,946,684

Interest expense totaled \$325,917 and \$335,375 for the years ended June 30, 2025 and 2024, respectively.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)**  
JUNE 30, 2025 AND 2024

**(8) RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions consisted of the following at June 30<sup>th</sup>:

	2025	2024
Environmental education	\$ -	\$ 10,000
Middle school sports	-	3,896
Constellations donation	194,071	-
Montessori materials	4,340	4,340
SPED cameras	34,269	34,269
Pre-K programs	-	14,000
Expansion of CCS to include Osborne Charter School	139,597	331,520
Net assets with donor restrictions	\$ 372,277	\$ 398,025

**(9) CONTRIBUTED NONFINANCIAL ASSETS**

CCS received contributed nonfinancial assets as follows for the years ended June 30<sup>th</sup>:

	2025	2024
Equipment	\$ -	\$ 220,214
Food commodities	98,333	38,905
Total contributions of nonfinancial assets	\$ 98,333	\$ 259,119

CCS's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of CCS. If an asset is provided that does not allow CCS to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

CCS was provided equipment, food commodities, software, and supplies at estimated fair market value as determined by the individual grantor agencies and donors.

All contributed nonfinancial assets received by CCS for the years ended June 30, 2025 and 2024 were considered without donor restrictions and able to be used by CCS as determined by the board of directors and management.

**(10) EMPLOYEE RETENTION TAX CREDIT**

CCS has received financial assistance from the U.S. Federal government to guarantee the continuance of employee salaries under the CARES Act. During 2024, CCS was granted financial assistance amounting to \$2,137,004, under the Employee Retention Credit (ERC) created under the CARES Act. The ERC provides eligible employers with credits per employee based on qualified wages and health insurance. The amount received was accounted for in 2024 as a gain and is presented with contributions and grants of financial assets on the statements of activities as of and for the year ended June 30, 2024.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)**  
**JUNE 30, 2025 AND 2024**

**(11) RETIREMENT PLAN**

CCS maintains a safe-harbor 401(k) plan covering all eligible employees. CCS matches 100% of an employees' deferrals up to the following limits based on years of employment with the CCS:

Less than 4 years	Up to 4% of total compensation
4-9 years	Up to 5% of total compensation
9-14 years	Up to 6% of total compensation
Greater than 14 years	Up to 7% of total compensation

Matching contributions for the years ended June 30, 2025 and 2024 totaled \$895,001 and \$883,487, respectively.

**(12) LEASE COMMITMENTS**

**Operating leases with OPSB**

CCS entered into agreements with the OPSB whereby each school has its own separate agreement which allows CCS to use the facilities and contents at each location. Lease terms range from July 1, 2021 through June 30, 2028 corresponding with each school's charter agreement.

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

In lieu of a security/damage deposit, CCS pays a non-reimbursable Damage Fee to OPSB in the amount of \$12.50 per pupil payable over three years, beginning in FY22, or by the end of the term of the lease agreements, whichever occurs first. OPSB deposits the Damage Fee into a Damage Fund, as described in OPSB Policy HD, which is the repository for all Damage Fees remitted by all school operators leasing OPSB-owned facilities. The Damage Fund is a communal fund to be utilized to finance the cost of any incomplete maintenance or facility repair needs noted to facilities after any school operator exits its lease with OPSB. CCS remains liable for any deferred maintenance or facility repair costs in excess of its contribution to the Damage Fund.

Use of the properties in the aforementioned leases is not recorded as an in-kind contribution from, or related rent expense to, the OPSB as the value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)**  
JUNE 30, 2025 AND 2024

**(12) LEASES (CONTINUED)**

**Operating leases with Other Parties**

CCS entered into a lease with the Foundation for the use of property effective July 1, 2023 through June 30, 2024. Another lease was entered effective July 1, 2024 through June 30, 2025 for the same property. Annual rent was \$541,992 for the years ended June 30, 2024 and 2025. An additional fee assessed by the Foundation for the year ended June 30, 2024 and 2025 totaled \$96,000, payable in monthly installments. CCS is responsible for all real property taxes and assessments, utilities, and personal property taxes. The lease payments and receipts are eliminated during the consolidation.

CCS entered into a lease with Sunshine Bus Sales, Inc. to lease five school buses at a monthly rate of \$1,975 from August 3, 2023 through August 2, 2024. CCS entered into another lease with Sunshine Bus Sales, Inc. to lease thirty-four school buses at a monthly rate of \$2,495 for the thirty regular-sized school buses and \$5,595 for the four full-sized SPED school buses from August 1, 2024 through July 31, 2025.

CCS entered into twenty-six leases for copiers at monthly rates of \$23 to \$1,284 for the next 37 to 49 months. The present value of the total lease liabilities related to the copiers are \$485,742.

Additional information about CCS's leases is as follows for the year ended June 30, 2025:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ <u>138,082</u>	\$ <u>55,832</u>
Cash paid for amounts in lease liabilities	\$ 138,082	\$ 55,832
Operating cash flows from operating leases	1,277,918	346,325
Right-of-use assets obtained in exchange for new operating lease liabilities	268,000	256,656
Weighted-average remaining lease term- operating leases	3.9 years	4.6 years
Weighted-average discount rate- operating leases	7.50%	4.66%

The maturities of lease liabilities as of June 30, 2025 are as follows:

2026	\$ 144,443
2027	144,451
2028	144,451
2029	122,882
2030	6,366
Less imputed interest	<u>(76,851)</u>
	<u>\$ 485,742</u>

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)**  
JUNE 30, 2025 AND 2024

**(13) CONCENTRATIONS OF CREDIT RISK**

CCS maintained cash deposits at a financial institution during the years ended June 30, 2025 and 2024. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per entity per financial institution. CCS has not experienced any losses in such accounts. CCS has no policy requiring collateral or other security to support its deposits. At June 30, 2025 and 2024, the cash balance in excess of insured amounts was \$952,641 and \$5,563,482, respectively, as follows:

	2025	2024
Crescent City Schools	\$ 952,641	\$ 5,563,482
Crescent City Schools Foundation, Inc.	-	-
Cash in excess of FDIC insurance limits	\$ 952,641	\$ 5,563,482

The amount of cash available at June 30, 2025 and 2024 represents 23% and 122% of each fiscal period's average monthly expenses. CCS requires no collateral to secure the federal grant receivables or other receivable balances.

**(14) GRANT PROGRAM CONTINGENCIES**

CCS participates in a number of state and federal grant programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that CCS has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2025 and 2024 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and CCS.

**(15) CONSTRUCTION COMMITMENT**

CCS is in the process of building a new facility at the Tubman Park Campus for the Constellations Program, which is a pre-k through 4<sup>th</sup> grade school setting for students with low-incidence cognitive disabilities. Construction costs to date, which have been capitalized as construction in progress, are \$1,685,265 as of June 30, 2025. CCS expects the additional costs to complete the project will be approximately \$7,500,000.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
NOTES TO FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)  
JUNE 30, 2025 AND 2024

**(16) ECONOMIC DEPENDENCY**

CCS receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP) funding for the years ended June 30, 2025 and 2024 totaled \$34,798,627 and \$34,829,451, respectively. Funding was received from various federal grants passed through the State of Louisiana totaling \$7,268,891 and \$10,587,805 for the years ended June 30, 2025 and 2024, respectively. Other State of Louisiana funding for the years ended June 30, 2025 and 2024 totaled \$4,637,478 and \$2,117,811, respectively. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds CCS receives could be reduced significantly and have an adverse impact on its operations.

In October of 2024, NOLA-PS notified CCS and all the charter school operators it authorizes that local tax revenues estimates provided in March 2024 for the 2024-2025 school year had been overstated. Revised projections indicated a system-wide funding shortfall of up to approximately \$50 million compared to those earlier estimates. To mitigate the impact of this shortfall, during the year ended June 30, 2025 the Orleans Parish School Board approved a non-recurring \$35 million allocation to schools, outside of the annual MFP funding allocation. As a result of these actions, CCS received additional funding from NOLA-PS during the year ended June 30, 2025, which is included in other state/local funding in the accompanying statement of activities.

**(16) SUBSEQUENT EVENT**

In December 2025 Dorothy Height Charter School's current charter was approved for a renewal term of an additional six years expiring on June 30, 2032.

**(17) RECLASSIFICATIONS**

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

**SUPPLEMENTARY INFORMATION**

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**  
**WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2024**

	Crescent City Schools	Crescent City Foundation	Eliminating Entries	2025 Total	2024 Total
<b><u>ASSETS:</u></b>					
Cash and cash equivalents	\$ 1,165,163	\$ 216,993	\$ -	\$ 1,382,156	\$ 1,957,311
Investments	12,226,053	-	-	12,226,053	13,859,636
Grant receivables	318,545	-	-	318,545	956,463
Other receivables	1,472,382	-	(1,346,437)	125,945	115,064
Prepaid expenses	761,994	-	-	761,994	71,667
Total current assets	<u>15,944,137</u>	<u>216,993</u>	<u>(1,346,437)</u>	<u>14,814,693</u>	<u>16,960,141</u>
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>	<u>1,883,618</u>	<u>10,142,549</u>	<u>-</u>	<u>12,026,167</u>	<u>10,058,288</u>
<b><u>OTHER ASSETS:</u></b>					
Right of use assets - operating leases, net	485,742	-	-	485,742	247,168
Deposits	112,018	-	-	112,018	52,035
Total other assets	<u>597,760</u>	<u>-</u>	<u>-</u>	<u>597,760</u>	<u>299,203</u>
Total assets	<u>\$ 18,425,515</u>	<u>\$ 10,359,542</u>	<u>\$ (1,346,437)</u>	<u>\$ 27,438,620</u>	<u>\$ 27,317,632</u>
<b><u>CURRENT LIABILITIES:</u></b>					
Accounts payable	\$ 1,239,912	\$ 54,599	\$ -	\$ 1,294,511	\$ 1,433,304
Accrued expenses	1,169,420	1,346,437	(1,346,437)	1,169,420	1,282,351
Deferred revenue	-	-	-	-	-
Current portion of operating leases	144,443	-	-	144,443	50,170
Current portion of long-term debt	15,644	221,564	-	237,208	225,758
Total current liabilities	<u>2,569,419</u>	<u>1,622,600</u>	<u>(1,346,437)</u>	<u>2,845,582</u>	<u>2,991,583</u>
<b><u>NON-CURRENT LIABILITIES:</u></b>					
Operating leases, net of current portion	341,299	-	-	341,299	196,998
Long-term debt, net of current portion	160,589	6,448,638	-	6,609,227	6,738,065
Total non-current liabilities	<u>501,888</u>	<u>6,448,638</u>	<u>-</u>	<u>6,950,526</u>	<u>6,935,063</u>
Total liabilities	<u>3,071,307</u>	<u>8,071,238</u>	<u>(1,346,437)</u>	<u>9,796,108</u>	<u>9,926,646</u>
<b><u>NET ASSETS:</u></b>					
Without donor restrictions	14,981,931	2,288,304	-	17,270,235	16,992,961
With donor restrictions	372,277	-	-	372,277	398,025
Total net assets	<u>15,354,208</u>	<u>2,288,304</u>	<u>-</u>	<u>17,642,512</u>	<u>17,390,986</u>
Total liabilities and net assets	<u>\$ 18,425,515</u>	<u>\$ 10,359,542</u>	<u>\$ (1,346,437)</u>	<u>\$ 27,438,620</u>	<u>\$ 27,317,632</u>

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2024

	Crescent City Schools			Crescent City Foundation			Eliminating Entries	2025 Total	2024 Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total			
<b>REVENUE:</b>									
Minimum Foundation Program funding	\$ 34,798,627	\$ -	\$ 34,798,627	\$ -	\$ -	\$ -	\$ -	\$ 34,798,627	\$ 34,829,451
Federal grants	7,268,891	-	7,268,891	-	-	-	-	7,268,891	10,587,805
Other state/local funding	6,194,619	-	6,194,619	-	-	-	-	6,194,619	3,433,218
Private contributions and grants of financial assets	754,407	400,000	1,154,407	-	-	-	-	1,154,407	3,577,461
Contributions of nonfinancial assets	98,333	-	98,333	-	-	-	-	98,333	259,119
Investment income	559,429	-	559,429	-	-	-	-	559,429	431,264
Other income	581,853	-	581,853	1,008,149	-	1,008,149	(637,992)	952,010	549,321
Net assets released from restrictions	425,748	(425,748)	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>50,681,907</b>	<b>(25,748)</b>	<b>50,656,159</b>	<b>1,008,149</b>	<b>-</b>	<b>1,008,149</b>	<b>(637,992)</b>	<b>51,026,316</b>	<b>53,667,639</b>
<b>EXPENSES:</b>									
Program services:									
General instructional	18,771,966	-	18,771,966	-	-	-	-	18,771,966	20,813,963
General non-instructional	19,063,218	-	19,063,218	382,413	-	382,413	(637,992)	18,807,639	18,592,842
Special education	9,037,466	-	9,037,466	-	-	-	-	9,037,466	7,637,757
Special programs	1,418,797	-	1,418,797	-	-	-	-	1,418,797	1,347,419
Support services:									
Administration	2,314,882	-	2,314,882	424,040	-	424,040	-	2,738,922	2,570,230
<b>Total expenses</b>	<b>50,606,329</b>	<b>-</b>	<b>50,606,329</b>	<b>806,453</b>	<b>-</b>	<b>806,453</b>	<b>(637,992)</b>	<b>50,774,790</b>	<b>50,962,211</b>
Change in net assets	75,578	(25,748)	49,830	201,696	-	201,696	-	251,526	2,705,428
Net assets, beginning of year	14,906,353	398,025	15,304,378	2,086,608	-	2,086,608	-	17,390,986	14,685,558
Net assets, end of year	\$ 14,981,931	\$ 372,277	\$ 15,354,208	\$ 2,288,304	\$ -	\$ 2,288,304	\$ -	\$ 17,642,512	\$ 17,390,986

(See Independent Auditors' Report)

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**COMBINING STATEMENT OF FINANCIAL POSITION BY SCHOOL**  
**JUNE 30, 2025**  
**WITH SUMMARIZED INFORMATION AS OF JUNE 30, 2024**

	CMO	Harriet Tubman	Dorothy Height	Mildred Osborne	Interfund Eliminations	2025 Total	2024 Total
<b><u>CURRENT ASSETS:</u></b>							
Cash and cash equivalents	\$ 94,777	\$ 440,621	\$ 207,823	\$ 421,942	\$ -	\$ 1,165,163	\$ 1,762,808
Investments	3,541,218	1,678,671	4,649,579	2,356,585	-	12,226,053	13,859,636
Grant receivables	-	140,691	99,865	77,989	-	318,545	956,463
Other receivables	1,358,673	93,925	7,349	12,435	-	1,472,382	115,064
Prepaid expenses	91,078	75,187	340,075	255,654	-	761,994	71,667
Due to/from affiliate	858,933	(46,167)	(434,491)	(378,275)	-	-	-
Total current assets	5,944,679	2,382,928	4,870,200	2,746,330	-	15,944,137	16,765,638
<b><u>PROPERTY AND EQUIPMENT, NET</u></b>							
	67,444	1,176,582	437,499	202,093	-	1,883,618	1,392,025
<b><u>OTHER ASSETS:</u></b>							
Right of use assets - operating leases, net	18,615	181,184	148,767	137,176	-	485,742	247,168
Deposits	62,483	2,494	47,041	-	-	112,018	52,035
Total other assets	81,098	183,678	195,808	137,176	-	597,760	299,203
Total assets	\$ 6,093,221	\$ 3,743,188	\$ 5,503,507	\$ 3,085,599	\$ -	\$ 18,425,515	\$ 18,456,866
<b><u>CURRENT LIABILITIES</u></b>							
Accounts payable	\$ 131,491	\$ 372,834	\$ 463,734	\$ 271,853	\$ -	\$ 1,239,912	\$ 1,431,554
Accrued expenses	18,645	469,777	342,785	338,213	-	1,169,420	1,282,351
Deferred revenue	-	-	-	-	-	-	-
Current portion of operating leases	6,728	53,227	42,409	42,079	-	144,443	50,170
Current portion of long-term debt	-	15,644	-	-	-	15,644	15,183
Total current liabilities	156,864	911,482	848,928	652,145	-	2,569,419	2,779,258
<b><u>NON-CURRENT LIABILITIES</u></b>							
Operating leases, net of current portion	11,887	127,957	106,358	95,097	-	341,299	196,998
Long-term debt, net of current portion	-	160,589	-	-	-	160,589	176,232
Total non-current liabilities	11,887	288,546	106,358	95,097	-	501,888	373,230
Total liabilities	168,751	1,200,028	955,286	747,242	-	3,071,307	3,152,488
<b><u>NET ASSETS</u></b>							
Without donor restrictions	5,590,802	2,527,397	4,532,990	2,330,742	-	14,981,931	14,906,353
With donor restrictions	333,668	15,763	15,231	7,615	-	372,277	398,025
Total net assets	5,924,470	2,543,160	4,548,221	2,338,357	-	15,354,208	15,304,378
Total liabilities and net assets	\$ 6,093,221	\$ 3,743,188	\$ 5,503,507	\$ 3,085,599	\$ -	\$ 18,425,515	\$ 18,456,866

(See Independent Auditors' Report)

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**COMBINING STATEMENT OF ACTIVITIES BY SCHOOL**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2024**

	CMO	Harriet Tubman	Dorothy Height	Mildred Osborne	Interfund Eliminations	2025 Total	2024 Total
<b><u>NET ASSETS WITHOUT DONOR RESTRICTIONS:</u></b>							
<b><u>REVENUE:</u></b>							
Minimum Foundation Program funding	\$ -	\$ 12,755,303	\$ 11,311,234	\$ 10,732,090	\$ -	\$ 34,798,627	\$ 34,829,451
Federal grants	-	2,764,767	2,774,474	1,729,650	-	7,268,891	10,587,805
Other state/local funding	-	3,028,788	1,663,734	1,502,097	-	6,194,619	3,433,218
Private contributions and grants of financial assets	75,316	37,269	13,376	628,446	-	754,407	3,097,692
Contributions of nonfinancial assets	-	27,039	26,796	44,498	-	98,333	259,119
Investment income	238,894	31,495	191,015	98,025	-	559,429	431,264
Other income	2,100,506	1,298,099	74,432	83,974	(2,975,158)	581,853	545,568
Net assets released from restrictions	397,852	10,896	17,000	-	-	425,748	128,637
	<u>2,812,568</u>	<u>19,953,656</u>	<u>16,072,061</u>	<u>14,818,780</u>	<u>(2,975,158)</u>	<u>50,681,907</u>	<u>53,312,754</u>
Total revenue							
<b><u>EXPENSES:</u></b>							
Program services:							
General instructional	1,027,615	6,687,012	6,799,901	5,708,949	(1,451,511)	18,771,966	20,813,963
General non-instructional	813,065	8,300,467	5,832,531	5,830,659	(1,713,504)	19,063,218	19,230,834
Special education	1,030,265	4,428,533	2,933,582	2,793,958	(2,148,872)	9,037,466	7,637,757
Special programs	-	498,697	458,939	461,161	-	1,418,797	1,347,419
Support services:							
Administration	2,272,366	21,169	12,069	9,278	-	2,314,882	1,798,590
	<u>5,143,311</u>	<u>19,935,878</u>	<u>16,037,022</u>	<u>14,804,005</u>	<u>(5,313,887)</u>	<u>50,606,329</u>	<u>50,828,563</u>
Total expenses							
<b><u>TRANSFERS IN/OUT:</u></b>							
Transfers in	2,338,729	-	-	-	(2,338,729)	-	-
	<u>2,338,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,338,729)</u>	<u>-</u>	<u>-</u>
Total transfers in/out							
Change in net assets without donor restrictions	7,986	17,778	35,039	14,775	-	75,578	2,484,191
<b><u>NET ASSETS WITH DONOR RESTRICTIONS:</u></b>							
Private contributions and grants of financial assets	400,000	-	-	-	-	400,000	479,769
Net assets released from restrictions	(397,852)	(10,896)	(17,000)	-	-	(425,748)	(128,637)
	<u>2,148</u>	<u>(10,896)</u>	<u>(17,000)</u>	<u>-</u>	<u>-</u>	<u>(25,748)</u>	<u>351,132</u>
Change in net assets with donor restrictions							
Net assets, beginning of year	5,914,336	2,536,278	4,530,182	2,323,582	-	15,304,378	12,469,055
Net assets, end of year	\$ 5,924,470	\$ 2,543,160	\$ 4,548,221	\$ 2,338,357	\$ -	\$ 15,354,208	\$ 15,304,378

(See Independent Auditors' Report)

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Kate Mehok, CEO
Time served	06/30/24 through 06/30/25
Salary	\$ 231,264
Benefits - insurance	8,791
Benefits - retirement	8,983
Benefits - cellphone	737
Travel	185
Registration Fees	375
Special meals	61
	61
Total compensation, benefits, and other payments	\$ 250,396

**OTHER REPORTING REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***



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

To the Board of Directors and Management of  
Crescent City Schools and Subsidiary  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Crescent City Schools and Subsidiary (a non-profit corporation), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 15, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Crescent City Schools and Subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crescent City Schools and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Crescent City Schools and Subsidiary's internal control.

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

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



To the Board of Directors and Management of  
Crescent City Schools and Subsidiary  
New Orleans, Louisiana

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Crescent City Schools and Subsidiary's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Crescent City Schools and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 15, 2025  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**SINGLE AUDIT SECTION**



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

To the Board of Directors and Management of  
Crescent City Schools and Subsidiary  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Crescent City Schools and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Crescent City Schools and Subsidiary's major federal programs for the year ended June 30, 2025. Crescent City Schools and Subsidiary's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Crescent City Schools and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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



To the Board of Directors and Management of  
Crescent City Schools and Subsidiary  
New Orleans, Louisiana

### ***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 Crescent City Schools and Subsidiary's federal programs.

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

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

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



To the Board of Directors and Management of  
Crescent City Schools and Subsidiary  
New Orleans, Louisiana

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

December 15, 2025  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<b><u>U.S. Department of Education</u></b>		
<i>Pass-through program from Louisiana Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	\$ 1,894,125
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	\$ 794,829
Special Education - Preschool Grants	84.173	<u>10,654</u>
Total Special Education Cluster		805,483
English Language Acquisition State Grants	84.365	56,914
Supporting Effective Instruction State Grants	84.367	133,449
Student Support and Academic Enrichment Program	84.424	89,997
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	830,184
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	<u>19,749</u>
Total Education Stabilization Fund		<u>849,933</u>
Total U.S. Department of Education		<u>3,829,901</u>
<b><u>U.S. Department of Agriculture</u></b>		
<i>Pass-through program from Louisiana Department of Education</i>		
Child Nutrition Cluster		
School Breakfast Program	10.553	837,823
National School Lunch Program	10.555	<u>1,722,089</u>
Total Child Nutrition Cluster		2,559,912
Child and Adult Care Food Program	10.558	<u>929,642</u>
Total U.S. Department of Agriculture		<u>3,489,554</u>
Total expenditures of federal awards		<u>\$ 7,319,455</u>

(See Independent Auditors' Report)

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**(1) BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Crescent City Schools and Subsidiary (CCS) 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* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of CCS, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CCS.

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Expense Recognition**

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

**Payments to Subrecipients**

There were no payments to subrecipients for the fiscal year ended June 30, 2025.

**Non-Cash Assistance**

Nonmonetary assistance in the amount of \$98,344 is reported in the schedule of expenditures of federal awards as AL No. 10.555 at the fair market value of the commodities/equipment received and disbursed.

**(3) INDIRECT COST RATE**

CCS has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**I. SUMMARY OF AUDITORS' REPORTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of Crescent City Schools and Subsidiary.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for Crescent City Schools and Subsidiary expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were the Child and Adult Care Food Program (AL No. 10.558) and Title I Grants to Local Educational Agencies (AL No. 84.010)
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Crescent City Schools and Subsidiary was determined to be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2025.

**II. FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings related to the consolidated financial statements for the year ended June 30, 2025.

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

There were no findings related to major federal awards programs for the year ended June 30, 2025.

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

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

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

There were no findings and questioned costs related to major federal award programs for the year ended June 30, 2024.

**III. MANAGEMENT LETTER**

There was no management letter issued for the year ended June 30, 2024.

**SCHEDULES REQUIRED BY STATE LAW  
(PERFORMANCE STATISTICAL DATA)**



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

To the Board of Directors and Management of  
Crescent City Schools and Subsidiary  
New Orleans, Louisiana

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

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

The procedures and associated findings are as follows:

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

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

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



To the Board of Directors and Management of  
Crescent City Schools and Subsidiary

Class Size Characteristics (Schedule 2)

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

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

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

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

Results: The years of experience shown in the personnel files for two employees do not match the PEP data. One was reported as 21 years and should have been 22 years and the other was reported as 37 years and should have been 38 years.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30<sup>th</sup> 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).

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

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



**ERICKSEN KRENTEL** LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors and Management of  
Crescent City Schools and Subsidiary

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

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

December 15, 2025  
New Orleans, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND**  
**CERTAIN LOCAL REVENUE SOURCES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES**

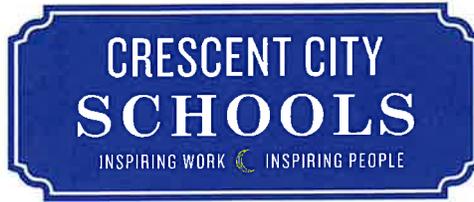
	Column A	Column B
General Fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 9,858,870	
Other instructional staff salaries	2,136,748	
Instructional staff employee benefits	3,076,420	
Purchased professional and technical services	2,512,726	
Instructional materials and supplies	1,068,364	
Instructional equipment	-	
Total teacher and students interaction activities		\$ 18,653,128
Other instructional activities		370,781
Pupil support services	4,981,855	
Less: Equipment for pupil support services	-	
Net pupil support services		4,981,855
Instructional staff services	2,674,288	
Less: Equipment for instructional staff services	-	
Net instructional staff services		2,674,288
School administration	2,730,481	
Less: equipment for school administration	-	
Net school administration		2,730,481
Total General Fund instructional expenditures (total of column B)		\$ 29,410,532
Total General Fund equipment expenditures		\$ -
 <b><u>CERTAIN LOCAL REVENUE SOURCES</u></b>		
Total local taxation revenue		\$ -
Total local earnings on investment in real property		\$ -
Total state revenue in lieu of taxes		\$ -
Nonpublic textbook revenue		\$ -
Nonpublic transportation revenue		\$ -

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

**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CLASS SIZE CHARACTERISTICS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**AS OF OCTOBER 1, 2024**

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
<b>SCHOOL TYPE:</b>	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	44%	351	16%	127	39%	314	1%	10
Elementary/Activity Classes	27%	42	11%	17	60%	93	3%	4
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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



**CRESCENT CITY SCHOOLS AND SUBSIDIARY**  
**CORRECTIVE ACTION PLAN – BESE AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

December 15, 2025

Louisiana Legislative Auditor

Crescent City Schools and Subsidiary respectfully submits the following corrective action plan for items identified pursuant to the BESE Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.  
4227 Canal Street,  
New Orleans, Louisiana 70119

Engagement Period: July 1, 2024 – June 30, 2025

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

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

**Exceptions:** Two employees' years of experience did not agree between the PEP report and the personnel file. One was reported as 21 years of experience and should have been 22 years and the other was reported as 37 years and should have been 38 years.

**Management's Response to Exceptions:** Management has noted and agrees with the above exception. Management will consider the effects of such exception and the need to enhance key controls in the identified area.

Sincerely,

  
Signature

*Chief Operating Officer*  
Title