



COLLEGIATE ACADEMIES and AFFILIATE

COMBINED FINANCIAL STATEMENTS

June 30, 2025 and 2024



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Collegiate Academies and Affiliate
New Orleans, Louisiana

Opinion

We have audited the accompanying combined financial statements of Collegiate Academies and Affiliate (the Organizations) (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2025 and 2024, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of the Organizations as of June 30, 2025 and 2024, and the changes in their combined net assets and their combined 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 Combined Financial Statements section of our report. We are required to be independent of the Organizations and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head and 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, are presented for purposes of additional analysis and are not a required part of the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

The accompanying combining statement of financial position and combining statement of activities, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the combined financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

The accompanying combining statement of financial position and combining statement of activities for the year ended June 30, 2025, do not include right-of-use lease assets and lease liabilities for material related-party leases that fully eliminate upon combination. Management has informed us that they have not determined the effects of not including related-party leases in the combining information. Our opinion is not affected as a result of this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the Organizations' 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 the Organizations' 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 the Organizations' internal control over financial reporting and compliance.

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

Metairie, Louisiana
December 23, 2025

Collegiate Academies and Affiliate Combined Statements of Financial Position

<i>June 30,</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 8,850,580	\$ 10,170,904
Grants and other receivables	2,368,971	4,795,848
Prepaid expenses and other current assets	472,128	269,610
Total current assets	11,691,679	15,236,362
Investments	8,988,705	8,529,530
Operating lease right-of-use assets, net	287,303	220,802
Property and equipment, net	10,367,185	10,356,066
Total assets	\$ 31,334,872	\$ 34,342,760
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,987,134	\$ 5,299,487
Deferred revenue	80,000	-
Current portion of operating lease liabilities	195,978	109,031
Short term portion of note payable	169,948	158,821
Total current liabilities	3,433,060	5,567,339
Noncurrent liabilities		
Operating lease liabilities, net of current portion	91,325	111,771
Note payable, net of short term portion	9,169,611	9,335,003
Total liabilities	12,693,996	15,014,113
Net assets		
Without donor restrictions	18,640,876	19,328,647
With donor restrictions	-	-
Total net assets	18,640,876	19,328,647
Total liabilities and net assets	\$ 31,334,872	\$ 34,342,760

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

Collegiate Academies and Affiliate Combined Statements of Activities

For the years ended June 30,

2025

2024

Changes in net assets without donor restrictions

Revenue and other support

Minimum Foundation Program	\$ 51,437,428	\$ 47,722,439
Revenue from local sources	1,809,902	3,300,838
Revenue from State sources	1,269,954	1,296,183
Revenue from Federal sources	7,964,052	11,454,285
Contributions and donations	1,093,372	1,009,675
Student activity income	690,879	648,899
Investment dividends and interest	263,808	323,507
Unrealized gain (loss) on investments	223,433	65,012
Net assets released from restriction	-	143,000

Total revenue and other support	64,752,828	65,963,838
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Expenses

Program services	43,163,940	43,573,656
Management and general	22,276,659	22,927,771

Total expenses	65,440,599	66,501,427
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Change in net assets without donor restriction	(687,771)	(537,589)
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Change in net assets with donor restriction

Net assets released from restriction	-	(143,000)
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Total net assets with donor restrictions	-	(143,000)
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Change in net assets	(687,771)	(680,589)
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Net assets at beginning of year	13,109,546	13,790,135
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Net assets at end of year	\$ 12,421,775	\$ 13,109,546
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The accompanying notes are an integral part of these financial statements.

**Collegiate Academies and Affiliate
Combined Statements of Functional Expenses**

<i>For the year ended June 30,</i>	Instructional	Management & General	2025 Totals
Salaries and benefits	\$ 32,531,275	\$ 8,957,520	\$ 41,488,795
Student transportation services	182,416	5,197,175	5,379,591
Materials and supplies	3,047,655	1,695,695	4,743,350
Purchased property services	2,171,238	723,746	2,894,984
Professional services	2,493,587	1,812,745	4,306,332
Food service	-	1,775,046	1,775,046
Utilities	523,655	174,552	698,207
Dues and fees	53,254	983,739	1,036,993
Insurance	707,446	235,814	943,260
Interest	485,591	161,864	647,455
Travel	331,957	265,426	597,383
Depreciation	246,228	82,076	328,304
Telephone and postage	135,406	9,657	145,063
Printing and binding	165,893	19,112	185,005
Textbooks	20,230	244	20,474
Other administrative expenses	-	159,545	159,545
Property lease expense	68,109	22,703	90,812
Total	\$ 43,163,940	\$ 22,276,659	\$ 65,440,599

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

**Collegiate Academies and Affiliate
Combined Statements of Functional Expenses**

<i>For the year ended June 30,</i>	Instructional	Management & General	2024 Totals
Salaries and benefits	\$ 33,328,864	\$ 7,562,159	\$ 40,891,023
Student transportation services	501,350	5,991,285	6,492,635
Materials and supplies	2,633,392	2,331,410	4,964,802
Purchased property services	2,215,300	738,433	2,953,733
Professional services	2,088,896	2,428,370	4,517,266
Food service	-	1,781,834	1,781,834
Utilities	582,080	194,027	776,107
Dues and fees	46,481	1,041,690	1,088,171
Insurance	814,119	271,372	1,085,491
Interest	435,263	145,088	580,351
Travel	202,137	214,984	417,121
Depreciation	221,050	73,683	294,733
Telephone and postage	54,600	83,306	137,906
Printing and binding	165,247	7,373	172,620
Textbooks	97,877	424	98,301
Property lease expense	187,000	62,333	249,333
Total	\$ 43,573,656	\$ 22,927,771	\$ 66,501,427

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

Collegiate Academies and Affiliate Combined Statements of Cash Flows

<i>For the years ended June 30,</i>	2025	2024
Operating activities		
Change in net assets	\$ (687,771)	\$ (680,589)
Adjustments to reconcile change in net assets to		
Net cash provided by (used in) operating activities:		
Depreciation	328,304	294,733
Loss on disposal of property and equipment	148,360	-
Unrealized (gain) loss on investments	(223,433)	(55,676)
Amortization of debt issuance cost included in interest expense	4,485	3,364
Amortization of right-of-use assets	200,125	214,379
Changes in operating assets and liabilities:		
Grants and other receivables	2,426,877	(44,715)
Prepaid expenses and other current assets	(202,518)	80,340
Accounts payable and accrued expenses	(2,312,353)	1,798,793
Operating lease liabilities	(200,125)	(214,379)
Deferred revenues	80,000	(14,565)
Net cash provided by (used in) operating activities	(438,049)	1,381,685
Investing activities		
Purchase of property and equipment	(487,783)	(747,717)
Purchase of investments	(235,742)	(274,348)
Net cash provided by (used in) financing activities	(723,525)	(1,022,065)
Financing activities		
Proceeds from notes payable	-	9,575,150
Payments on notes payable	(158,750)	(9,380,604)
Net cash provided by (used in) financing activities	(158,750)	194,546
Net change in cash and cash equivalents	(1,320,324)	554,166
Cash and cash equivalents at beginning of year	10,170,904	9,616,738
Cash and cash equivalents at end of year	\$ 8,850,580	\$ 10,170,904
Schedule of Noncash Transactions		
Lease liabilities arising from obtaining right-of-use assets		
Operating leases	\$ 266,626	\$ 77,972
Supplemental cash flow information		
Cash paid for interest	\$ 642,969	\$ 576,987

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

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Collegiate Academies (the School) was incorporated in May of 2010 as New Orleans Charter Science and Math Academy for the purpose of operating a transformation charter school in New Orleans. Effective July 1, 2010, the assets and liabilities of New Orleans Charter Science and Math Academy were transferred from another non-profit organization (Advocates for Science and Mathematics Education, Inc.). In February of 2011, the Board of New Orleans Charter Science and Math Academy approved a name change to Collegiate Academies. The School was created to develop college-bound students for leadership and lifelong learning. The State Board of Elementary and Secondary Education granted the School a Type 5 charter to operate Collegiate Academies. In August 2013, the School expanded by adding two (2) new high schools with ninth grade only, George Washington Carver Collegiate Academy and George Washington Carver Preparatory Academy. By the 2015-2016 school year, all three (3) high schools contained grades 9-12.

As of the 2016-2017 school year, George Washington Carver Collegiate Academy and George Washington Carver Preparatory Academy merged to become George Washington Carver Collegiate Academy. As well, Livingston Collegiate opened in the fall of 2016 with ninth grade only. Livingston Collegiate added a class level a year and is now serving grades 9-12. Collegiate Baton Rouge has added a grade each school year and is now serving grades 9-12. In the 2018-2019 school year, Rosenwald Collegiate Academy opened in New Orleans with ninth grade only. Rosenwald added a grade each school year and is now serving grades 9-12. In the 2018-2019 school year, Opportunities Academy opened in New Orleans. Opportunities Academy is a full-day program for students with intellectual and developmental disabilities.

Friends of Collegiate (Friends), incorporated on July 1, 2018, is a non-profit organization organized and operated for the benefit of Collegiate Academies.

The Organizations' program services consist of the following:

Instructional – The Organizations provide educational services to students in the greater New Orleans and Baton Rouge areas for grades 9-12 and programs for students with intellectual and developmental disabilities.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Combination

The combined financial statements include accounts of Collegiate Academies and Friends of Collegiate, collectively referred to as the Organizations. All material intercompany account balances and transactions have been eliminated.

Use of Estimates

The preparation of U.S. GAAP combined financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant changes in the near term are related to useful lives of assets, allocation of expenses by function, fair value of investments, and calculation of lease amortization.

Cash and Cash Equivalents and Certificate of Deposit

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. Certificates of deposit with original maturities greater than 90 days are included in other assets on the combined statements of financial position.

Grants and Other Receivables

Grant and other receivables represent amounts owed to the Organizations which are expected to be collected within twelve months.

Prepaid Expenses and Other Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased. Other assets consist primarily of deposits.

Investments

The Organizations report investments in equity and fixed income securities with readily determinable fair values at their fair values in the combined statements of financial position. Other investments consist primarily of insured deposits, which are reported at fair value. Unrealized gains and losses are included in the change in net assets in the accompanying combined statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized, the income and gains are reported as net assets without donor restrictions.

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Leases

The Organizations lease modular classrooms, office space, and copiers. The Organizations determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities in the combined statements of financial position.

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

The Organizations lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Impairment of Long-Lived Assets

The Organizations review long-lived assets, consisting of buildings and equipment, for impairment and determine whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. The Organizations determine recoverability of assets by comparing the carrying value of the asset to the net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during 2025 or 2024.

Net Assets

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

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

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

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

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

Revenue Recognition

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

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

Revenue from fundraising is recognized as revenue when performance obligations under the terms of the contracts are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the combined statements of financial position when present. There was no fundraising income received during the years ended June 30, 2025 and 2024.

Deferred Revenue

Deferred revenue consists of a grant award received in advance that relates to services to be rendered in a future period and is deferred and recognized as revenue in the period earned.

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. There were no donated assets received during the years ended June 30, 2025 and 2024.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organizations. Volunteers also provided services throughout the year that are not recognized as contributions in the combined financial statements since the recognition criteria were not met. There were no donated services received during the years ended June 30, 2025 and 2024 that were required to be recognized.

Compensated Absences

All full time teachers and staff are provided up to 10 no-fault days per the Collegiate Academies Employee Handbook. Unused no-fault balances, if any, are forfeited upon employee termination and at the conclusion of the fiscal year. Friends of Collegiate does not have employees.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility, insurance, interest, utilities, and depreciation are allocated based on square footage.

Advertising

The Organizations use advertising to promote their programs among the audiences it serves. The production costs of advertising are expensed as incurred. There were no advertising costs during the years ended June 30, 2025 and 2024.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organizations are exempt from taxes on income other than unrelated business income. There was no unrelated business income for the years ended June 30, 2025 and 2024, respectively.

The Organizations utilize the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the combined financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2025 and 2024, the Organizations have no uncertain tax positions that qualify for recognition or disclosure in the combined financial statements.

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications within the combined statement of functional expenses were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued, December 23, 2025, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these combined financial statements.

Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organizations maintain their financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organizations' expenditures come due. The following reflects the Organizations' financial assets as of the combined statements of financial position dates, reduced by amounts not available for general use within one year of the combined statements of financial position dates because of contractual or donor-imposed restrictions.

<i>June 30,</i>	2025	2024
Total assets at year end	\$ 31,334,872	\$ 34,342,760
Less non-financial assets		
Prepaid expenses and other assets	(472,128)	(269,610)
Operating lease right-of-use assets, net	(287,303)	(220,802)
Property and equipment, net	(10,367,185)	(10,356,066)
Financial assets at year-end	20,208,256	23,496,282
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 20,208,256	\$ 23,496,282

The Organizations are principally supported by government grants. The goal of the Organizations are to maintain available financial assets to meet their next 30 days of operating expenses of approximately \$5,453,383. As part of its liquidity management, the Organizations maintain cash accounts at a local bank, which pays interest on the balances maintained.

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 4: GRANT AND OTHER RECEIVABLES

Grant and other receivables are deemed to be fully collectible by management and were comprised of the following at June 30, 2025 and 2024:

June 30,	2025	2024
Carl Perkins	\$ 47,500	\$ 43,841
Comprehensive Literacy State Development	64,757	-
ESSER	-	312,653
Food Service	24,510	16,126
Louisiana Medicaid	-	845,638
Louisiana Rehabilitative Services	32,577	86,693
Charter Schools Program	-	121,886
Minimum Foundation Program	937,495	-
Teacher and School Leader Incentive Grants	-	239,167
Next Level NOLA tuition	23,354	38,178
NOLA LEADS	30,000	-
NOLA Public Schools CEA	-	553,305
Other	79,166	34,998
Special Education Cluster	705,998	1,816,163
Stronger Connections Grant	-	111,079
Title I	365,820	533,931
Title II	38,908	41,197
Title III	18,886	-
Title IV	-	993
Total grants and other receivables	\$ 2,368,971	\$ 4,795,848

Note 5: INVESTMENTS

As of June 30, 2025 and 2024, the Organizations had investments as follows:

June 30,	2025	2024
Fixed income securities	\$ 8,897,195	\$ 8,453,401
US equity securities	44,982	39,591
Other investments	46,528	36,538
Total investments in marketable securities	\$ 8,988,705	\$ 8,529,530

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 6: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2025 and 2024:

	Estimated Useful Lives (in years)	2025	2024
Building	39	\$ 11,277,193	\$ 10,992,026
Leasehold improvements	9-15	62,352	215,539
Vehicles	5	143,399	26,332
Furniture, fixtures & equipment	5-12	185,116	152,130
Total depreciable property and equipment		11,668,060	11,386,027
Less accumulated depreciation and amortization		(1,733,375)	(1,462,461)
Total depreciable property and equipment, net		9,934,685	9,923,566
Land		432,500	432,500
Total property and equipment, net		\$ 10,367,185	\$ 10,356,066

Depreciation expense for the years ended June 30, 2025 and 2024 amounted to \$328,304 and \$294,733, respectively.

Note 7: BUILDING USE AGREEMENT

The School entered into building use agreements with NOLA Public Schools (formerly Orleans Parish School Board) (NOLA PS) for the use of buildings and grounds as school facilities. The School agrees to pay NOLA PS a Use Fee and participate in NOLA PS's Per Pupil Unit Cost Program. The Use Fee shall be the per pupil share of the actual costs of the property, boiler and machinery, terrorism, disaster management and flood insurance of all NOLA PS-controlled school facilities participating in the Per Pupil Unit Cost Program, including any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship.

The agreements between the parties are intended to allow NOLA PS to move the School at any time as long as NOLA PS provides another facility deemed reasonable; taking into consideration such factors as building capacity, design alignment with grade levels served by the School, projected enrollment, program specific needs, and community support and participation.

For the years ended June 30, 2025 and 2024, the Organizations paid annual usage fees to NOLA PS of \$558,346 and \$720,159, respectively, for use of the school facilities. These amounts are recorded as insurance expenses in the combined statements of functional expenses.

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 8: LEASES

The Organizations have operating leases for modular classrooms, office space, and equipment at varying terms. Operating lease costs for the year ended June 30, 2025 and 2024 consists of \$200,125 and \$214,379, respectively.

Weighted average remaining lease term and discount rates consist of the following:

<i>For the years ended June 30,</i>	2025	2024
Weighted average remaining lease term		
Operating leases	3.09 years	2.88 years
Weighted average discount rate		
Operating leases	3.39%	3.12%

Future minimum lease payments under non-cancellable leases as of June 30, 2025 were as follows:

2026	\$ 203,043
2027	57,865
2028	30,783
2029	5,250
2030	1,095
Total future minimum lease payments	298,036
Less imputed interest	(10,733)
Present value of lease liabilities	\$ 287,303

The Organizations leased modular classrooms under a non-cancellable operating lease at a monthly rate of \$2,378. Upon expiration of the lease agreement in February 2024, the Company continued to lease modular classrooms on a month-to-month basis. Rent expense under this agreement was \$32,518 and \$29,701 for the years ended June 30, 2025 and 2024, respectively.

Note 9: NOTE PAYABLE

Friends entered into a mortgage payable with a financial institution on September 27, 2023 to refinance previous construction loans for a new school in Baton Rouge. The total loan balance at refinance was \$9,620,000. Payments will be made based on a 25 year amortization until the maturity date of October 1, 2033 at which time the remaining balance will be due. Interest is payable at an initial rate of 6.70%. On the first day of the first month following the fifth anniversary of the closing date, the interest rate will be adjusted to the greater of (a) base rate (as defined in the loan agreement dated September 27, 2023) as of three business days prior to the rate adjustment date plus 2.10% and (b) 3.50%. The loan is collateralized by the property.

**Collegiate Academies and Affiliate
Notes to Combined Financial Statements**

Note 9: NOTE PAYABLE (Continued)

Note payable consist of the following:

<i>June 30,</i>	2025	2024
Note payable to Self-Help Credit Union, monthly payment of \$66,809.85 including interest of 6.70% per annum, maturity of October 1, 2033	\$ 9,376,560	\$ 9,535,310
Less unamortized debt issuance costs	(37,001)	(41,486)
Note payable, less unamortized debt issuance costs	9,339,559	9,493,824
Less current portion	(169,948)	(158,821)
Note payable, less current portion	\$ 9,169,611	\$ 9,335,003

Interest expense related to the note payable was \$642,969 and \$576,987 for the years ended June 30, 2025 and 2024, respectively.

The note agreement contains various special provisions and covenants pertaining to, but not limited to, use of proceeds, payment of obligations, maintenance of properties, and other various reporting obligations. Management believes the Organizations were compliant with these requirements as of June 30, 2025.

Maturities of long-term debt subsequent to June 30, 2025 consists of the following:

2026	\$ 169,948
2027	181,859
2028	192,929
2029	208,125
2030	222,712
Thereafter	8,400,987
Total	\$ 9,376,560

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 10: NET ASSETS

When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the combined statements of activities as net assets released from restriction. There were no net assets with donor restrictions as of June 30, 2025 and 2024.

A summary of the release of donor restrictions consists of the following:

<i>June 30,</i>	2025	2024
Purpose restricted		
City Fund	\$ -	\$ 203,500

Note 11: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

Fixed income securities: Valued at the closing price reported on the active market on which the individual securities are traded.

US equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 11: FAIR VALUE MEASUREMENTS (Continued)

Other investments: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organizations believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended June 30, 2025 and 2024:

<i>June 30, 2025</i>	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ 8,897,195	\$ -	\$ -	\$ 8,897,195
US equity securities	44,982	-	-	44,982
Other investments	46,528	-	-	46,528
Total investments at fair value	\$ 8,988,705	\$ -	\$ -	\$ 8,988,705
<i>June 30, 2024</i>	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ 8,453,401	\$ -	\$ -	\$ 8,453,401
US equity securities	39,591	-	-	39,591
Other investments	36,538	-	-	36,538
Total investments at fair value	\$ 8,529,530	\$ -	\$ -	\$ 8,529,530

Note 12: CONCENTRATIONS

The Organizations maintain cash deposits with a financial institution at June 30, 2025 and 2024, in excess of federally insured limits of \$8,711,157 and \$10,305,765, respectively. The financial institution had pledged securities on behalf of the School, which secured cash balances in excess of the federally insured limit as of June 30, 2025 and 2024.

The Organizations maintain brokerage accounts with national brokerage firms. Account holders are insured by the Securities Investor Protection Program (SIPC) up to \$500,000, of which \$250,000 may be cash. As of June 30, 2025 and 2024, the Organizations' balances in the brokerage accounts exceeded SIPC insurance limits by \$8,315,624 and \$7,868,655, respectively. Management has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

For the year ended June 30, 2025, the Organizations received 12% of their total revenue from federal sources and 79% of their total revenue from state and local public school funds. For the year ended June 30, 2024, the Organizations received 19% of their total revenue from federal sources and 66% of their total revenue from state and local public school funds.

Collegiate Academies and Affiliate Notes to Combined Financial Statements

Note 12: CONCENTRATIONS (Continued)

As of the year ended June 30, 2025 and 2024, the Organizations had 55% and 69%, respectively, of their receivables from federal sources.

Note 13: CONTINGENCIES

The continuation of the School is contingent upon legislative appropriation or allocation of funds necessary to fulfill the requirements of the charter contracts with the Board of Elementary and Secondary Education. If the legislature fails to appropriate sufficient monies to provide for the continuation of the charter contract, or if such appropriation is reduced by veto of the governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the charter contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

Note 14: DEFINED CONTRIBUTION PLAN

The School sponsors a defined contribution plan (the Plan) covering all employees immediately upon hire who agree to make contributions to the Plan. The School may elect to make discretionary contributions during any plan year. The School elected to make discretionary contributions of \$841,768 and \$887,842 for the years ended June 30, 2025 and 2024, respectively.

Collegiate Academies and Affiliate
Schedule of Compensation, Benefits and Other Payments
to Agency Head

For the year ended June 30,

2025

Agency Head Name: Jerel Bryant, Principal/CEO		Amount
Purpose:		
Salary	\$	283,500
Supplemental pay		25,000
Stipends		2,000
Benefits-Fica and Medicare		15,374
Benefits-health insurance		8,155
Benefits-retirement		9,317
Benefits-long term disability		144
Benefits-short term disability		358
Benefits-life insurance		36
Travel		1,588
Conference travel		729
Total		\$ 346,201

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

Board of Directors
Collegiate Academies and Affiliate
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 combined financial statements of Collegiate Academies and Affiliate (nonprofit organization) (the Organizations), which comprise the combined statement of financial position as of June 30, 2025, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to combined financial statements, and have issued our report thereon dated December 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organizations' 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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' 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 Organizations' combined 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 Organizations' combined financial statements are free from material misstatement, we performed tests of the compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the combined 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 Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' 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 Louisiana Legislative Auditor as a public document.

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

Metairie, Louisiana
December 23, 2025



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

Board of Directors
Collegiate Academies and Affiliate
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Collegiate Academies and Affiliate's (the Organizations) (nonprofit organizations) 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 the Organizations' major federal programs for the year ended June 30, 2025. The Organizations' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organizations 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 the Organizations 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 Organizations' 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 Organizations' federal programs.

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 Organizations' 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 the Organizations' 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 the Organizations' 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 Organizations' 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 Organizations' 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.

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.

Caru, Riggs & Ingram, L.L.C.

Metairie, Louisiana
December 23, 2025

**Collegiate Academies and Affiliate
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures (\$)
<u>United States Department of Education</u>			
Charter Schools	84.282M	N/A	\$ 54,449
<u>Louisiana Department of Education</u>			
Title I Grants to Local Educational Agencies - Title I	84.010A	N/A	1,734,146
Title I Grants to Local Educational Agencies - Redesign 1003a	84.010A	N/A	63,018
<i>Total Title I Grants to Local Educational Agencies</i>			1,797,164
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) - Title II	84.367A	N/A	192,208
English Language Acquisition State Grants - Title III	84.365	N/A	70,604
Comprehensive Literacy State Development	84.371C	N/A	343,811
COVID-19 - Education Stabilization Fund - ARP ESSER - III Formula	84.425U	N/A	973,210
COVID-19 - Education Stabilization Fund - ARP ESSER - III Incentive	84.425U	N/A	362,568
COVID-19 - Education Stabilization Fund - ARP ESSER - III EB Interventions	84.425U	N/A	102,734
<i>Total Education Stabilization Fund</i>			1,438,512
<u>Special Education Cluster</u>			
Special Education Grants to States - IDEA Part B 611	84.027A	N/A	854,020
Special Education Grants to States - High Cost Services	84.027A	N/A	557,674
<i>Total Special Education Cluster</i>			1,411,694
<i>Total Louisiana Department of Education</i>			5,253,993

**Collegiate Academies and Affiliate
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures (\$)
<i>Louisiana Workforce Commission</i>			
Rehabilitation Services Vocational Rehabilitation Grants to States - Louisiana Rehabilitative Services	84.126A	N/A	200,311
<i>YouthForce New Orleans Consortium</i>			
Career and Technical Education-Basic Grants to States - Carl Perkins	84.048	N/A	47,500
<i>New Schools for New Orleans</i>			
Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)	84.374A	N/A	313,223
Total United States Department of Education			5,869,476
<u>United States Department of Agriculture</u>			
<i>Louisiana Department of Education</i>			
<u>Child Nutrition Cluster</u>			
School Breakfast Program	10.553	N/A	606,830
National School Lunch Program	10.555	N/A	1,496,292
National School Lunch Program - USDA Donated Commodities	10.555	N/A	58,189
<i>Total Louisiana Department of Education - Child Nutrition Cluster</i>			2,161,311
Child and Adult Care Food Program	10.558	N/A	114,660
Local Food for Schools Cooperative Agreement Program	10.185	N/A	6,354
<i>Total Louisiana Department of Education</i>			2,282,325
Total United States Department of Agriculture			2,282,325
Total Expenditures of Federal Awards			\$ 8,151,801

*Collegiate Academies did not pass through any amounts to subrecipients.

Collegiate Academies and Affiliate

Notes to the Schedule of Expenditures of Federal Awards

Note 1: GENERAL

The accompany schedule of expenditures of federal awards (the Schedule) presents the revenues from federal awards of Collegiate Academies (the School) (a nonprofit organization) as defined in Note 2 to the School's basic combined financial statements for the year ended June 30, 2025. All federal financial assistance received directly from federal agencies is included on the Schedule, as well as federal assistance passed through other government agencies.

Note 2: DE MINIMIS INDIRECT COST RATE

The School has not elected to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Collegiate Academies and is presented on the accrual basis of accounting. The information in this 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic combined financial statements.

Note 4: RECONCILIATION OF FEDERAL GRANT REVENUE TO EXPENDITURES OF FEDERAL AWARDS

Federal awards revenues reported in the Organizations' combined financial statements reconcile to federal award expenditures as follows:

Expenditures of federal awards during the year ended June 30, 2025	\$	8,151,801
Child nutrition program deficit spending using net cash resources		(187,749)
Total federal grants revenue	\$	7,964,052

Note 5: RELATIONSHIP TO BASIC COMBINED FINANCIAL STATEMENTS

Federal award revenues are reported in the School's basic combined financial statements as program revenues.

Collegiate Academies and Affiliate Notes to the Schedule of Expenditures of Federal Awards

Note 6: LOANS

Collegiate Academies did not expend federal awards related to loans or loan guarantees during the year.

Note 7: FEDERALLY FUNDED INSURANCE

Collegiate Academies has no federally funded insurance.

Note 8: NONCASH ASSISTANCE

Collegiate Academies did not receive any federal noncash assistance for the fiscal year ended June 30, 2025.

**Collegiate Academies and Affiliate
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

- | | |
|--|------------|
| 1. Type of auditor’s report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | No |
| 4. Identification of major programs | |

ALN Number	Federal Program
84.010A	Title I Grants to Local Educational Agencies

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520 | Yes |

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Section IV – Summary Schedule of Prior Audit Findings

No matters were reported.

**Collegiate Academies and Affiliate
Combining Statement of Financial Position**

<i>June 30,</i>	Collegiate	Friends of Collegiate	Eliminating Entries	2025
Assets				
Current assets				
Cash and cash equivalents	\$ 8,502,857	\$ 347,723	\$ -	\$ 8,850,580
Grants and other receivables	2,368,971	-	-	2,368,971
Prepaid expenses and other current assets	472,128	-	-	472,128
Total current assets	11,343,956	347,723	-	11,691,679
Investments	8,988,705	-	-	8,988,705
Operating lease right-of-use assets, net	287,303	-	-	287,303
Property and equipment, net	1,180,501	9,186,684	-	10,367,185
Total assets	\$ 21,800,465	\$ 9,534,407	\$ -	\$ 31,334,872
Liabilities and net assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 2,986,294	\$ 40,675	\$ (39,835)	\$ 2,987,134
Deferred revenue	10,000	70,000	-	80,000
Current portion of operating lease liabilities	195,978	-	-	195,978
Short term portion of note payable	-	169,948	-	169,948
Total current liabilities	3,192,272	280,623	(39,835)	3,433,060
Noncurrent liabilities				
Operating lease liabilities, net of current portion	91,325	-	-	91,325
Note payable, net of short term portion	-	9,169,611	-	9,169,611
Total liabilities	3,283,597	9,450,234	(39,835)	12,693,996
Net assets				
Without donor restriction	18,516,868	84,173	39,835	18,640,876
With donor restrictions	-	-	-	-
Total net assets	18,516,868	84,173	39,835	18,640,876
Total liabilities and net assets	\$ 21,800,465	\$ 9,534,407	\$ -	\$ 31,334,872

**Collegiate Academies and Affiliate
Combining Statement of Activities**

<i>For the year ended June 30,</i>	Collegiate	Friends of Collegiate	Eliminations	2025
Changes in net assets without donor restrictions				
Revenue and other support				
Minimum Foundation Program	\$ 51,437,428	\$ -	\$ -	\$ 51,437,428
Revenue from local sources	1,809,902	-	-	1,809,902
Revenue from State sources	1,269,954	-	-	1,269,954
Revenue from Federal sources	7,964,052	-	-	7,964,052
Contributions and donations	1,093,372	-	-	1,093,372
Student activity income	690,879	-	-	690,879
Rental income	-	840,000	(840,000)	-
Investment dividends and interest	257,277	6,531	-	263,808
Unrealized gain (loss) on investments	223,433	-	-	223,433
Net assets released from restriction	-	-	-	-
Total revenue and other support	64,746,297	846,531	(840,000)	64,752,828
Expenses				
Program services - Instructional	43,163,940	-	-	43,163,940
Supporting services - Management and general	22,179,352	937,307	(840,000)	22,276,659
Total expenses	65,343,292	937,307	(840,000)	65,440,599
Change in net assets without donor restriction	(596,995)	(90,776)	-	(687,771)
Change in net assets with donor restriction				
Net assets released from restriction	-	-	-	-
Total net assets with donor restrictions	-	-	-	-
Change in net assets	(596,995)	(90,776)	-	(687,771)
Net assets at beginning of year	19,113,863	174,949	39,835	19,328,647
Net assets at end of year	\$ 18,516,868	\$ 84,173	\$ 39,835	\$ 18,640,876