THIRD FUTURE SCHOOLS - LOUISIANA

Annual Financial Statements

June 30, 2025

Contents

Independent Auditor's Report	1 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 14
Supplementary Information	
Schedule of Financial Position by School	16
Schedule of Activities and Changes in Net Assets by School	17 - 18
Schedule of Governing Board	19
Schedule of Compensation, Benefits, and Other Payments to Agency Head	20
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*	21 - 22
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance	23 - 25
Schedule of Expenditures of Federal Awards	26
Notes to the Schedule of Expenditures of Federal Awards	27
Schedule of Findings and Questioned Costs	28 - 29
Schedule of Prior Audit Findings	30

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

To the Board of Directors
Third Future Schools - Louisiana
Baton Rouge, Louisiana

Opinion
We have audited the financial statements of Third Future Schools - Louisiana (the Organization), which comprise the statement of financial position as of June 30, 2025, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 opinion.

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial position by school, the schedule of activities and changes in net assets by school, the schedule of governing board, and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 financial statements

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 the Organization's internal control over financial reporting and 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 Organization'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 the Organization's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Baton Rouge, LA
December 15, 2025

THIRD FUTURE SCHOOLS - LOUISIANA
Statement of Financial Position
June 30, 2025

Assets		
Current Assets		
Cash and Cash Equivalents	$	822,799
Grants Receivable		428,530
Due from Affiliate		371,975
Prepaid Expenses		470,691
Total Current Assets		2,093,995
Fixed Assets		
Building Improvements, Net of Accumulated Depreciation		11,134
Right-of-Use Assets, Net of Accumulated Amortization		31,283
Total Fixed Assets, Net		42,417
Total Assets	$	2,136,412
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$	525,843
Accrued Liabilities		729,497
Due to Affiliate		69,761
Current Portion of Lease Liabilities		32,324
Total Current Liabilities		1,357,425
Long-Term Liabilities		
Lease Liabilities, Less Current Portion		5,514
Total Liabilities		1,362,939
Net Assets		
Without Donor Restrictions		773,473
Total Net Assets		773,473
Total Liabilities and Net Assets	$	2,136,412

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

THIRD FUTURE SCHOOLS - LOUISIANA
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Grants, and Other Support			
State Public School Funding	$ 11,570,611	$ -	$ 11,570,611
Federal Grants	1,311,778	-	1,311,778
Other Grants and Contributions	391,373	-	391,373
Total Revenue, Grants, and Other Support	13,273,762	-	13,273,762
Expenses			
Program Services			
Education Programs	7,808,810	-	7,808,810
Supporting Services			
Management and General	3,944,593	-	3,944,593
Total Expenses	11,753,403	-	11,753,403
Change in Net Assets	1,520,359	-	1,520,359
Net Deficit, Beginning of Year	(757,841)	-	(757,841)
Prior Period Adjustment	10,955	-	10,955
Net Deficit, Beginning of Year, Restated	(746,886)	-	(746,886)
Net Assets, End of Year	$ 773,473	$ -	$ 773,473

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

THIRD FUTURE SCHOOLS - LOUISIANA
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services	Supporting Services	
	Education Programs	Management and General	Total
Salaries	$ 4,611,612	$ 1,596,433	$ 6,208,045
Employee Benefits	721,871	345,056	1,066,927
Purchased Professional	640,419	233,327	873,746
Student Transportation	862,151	-	862,151
Materials and Supplies	277,502	377,607	655,109
Occupancy	-	497,761	497,761
Food Service	397,479	-	397,479
Repairs	-	306,059	306,059
Travel	-	276,677	276,677
Other Expenses	-	199,332	199,332
Student Activities	166,058	-	166,058
Lease Expenses	130,340	-	130,340
Insurance	-	112,341	112,341
Depreciation	1,378	-	1,378
Total	$ 7,808,810	$ 3,944,593	$ 11,753,403

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

THIRD FUTURE SCHOOLS - LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2025

Cash Flows from Operating Activities	
Change in Net Assets	$ 1,520,359
Adjustments to Reconcile Change in Net Assets	
to Net Cash Provided by Operating Activities	
Depreciation	1,378
Amortization of Right-of-Use Asset	31,282
(Increase) Decrease in:	
Grants Receivable	(423,023)
Due from Affiliate	(160,206)
Prepaid Expenses	(470,691)
Increase (Decrease) in:	
Accounts Payable	(66,121)
Accrued Liabilities	510,855
Due to Affiliate	(89,976)
Cash Overdraft	-
Lease Liabilities	(31,058)
Total Adjustments	(697,560)
Net Cash Provided by Operating Activities	822,799
Net Change in Cash and Cash Equivalents	822,799
Cash and Cash Equivalents, Beginning of Year	-
Cash and Cash Equivalents, End of Year	$ 822,799

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

Note 1. Summary of Significant Accounting Policies

Organization and Nature of Activities

Third Future Schools - Louisiana (the Organization) was incorporated on May 31, 2023 as a nonprofit organization. The Organization operated the following schools during the year ended June 30, 2025:

Prescott Academy, which is an elementary school in Baton Rouge, Louisiana under a partnership agreement with the Recovery School District. The agreement commenced on July 1, 2023 and terminates on June 30, 2026.

Fair Park Middle School, which is a middle school operated under a type 3 charter contract with the Caddo Parish School Board. The agreement commenced on July 1, 2024 and terminates on June 30, 2027.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations.* The Organization is required to record unconditional promises to give (pledges) as receivables and revenues, and to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Under FASB ASC 958, the Organization 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 resources available to support operations.

Net Assets With Donor Restrictions - Net assets that are resources that are restricted by the donor for use for a particular purpose or in a particular future period. When the donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions.

In addition, the Organization is required to present a statement of cash flows.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the Organization are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Statement of Cash Flows

For purposes of the statement of cash flows, the Organization considers all investments purchased with an original maturity of three months or less to be cash equivalents.

Note 1. Summary of Significant Accounting Policies (Continued)

Investments

In accordance with the *Not-for-Profit Entities* Topic 820 of the FASB ASC, the Organization's investments in marketable securities with readily determinable fair values, and all investments in debt securities are valued at their fair value in the statement of financial position. Unrealized and realized gains and losses are included in the change in net assets. Investments, consisting of certificates of deposit with original maturities greater than three months, are reported at original cost plus accrued interest. Dividend and interest income are accrued when earned.

Revenues and Support

State Public School Funding

The Organization's primary source of funding is through the State Public School Fund. For the year ended June 30, 2025, the Organization received $3,734,751 from the state based on eligible students in attendance paid on a monthly basis.

Federal and State Grants

State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses occur.

Other Grants and Contributions

Grants and contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions.

Contracts vs. Contributions

The Organization utilizes the guidance in Accounting Standards Update (ASU) 2018-08 in the assessment of whether a revenue is an exchange transaction (contract) or contribution (non-contract) and considers factors including commensurate value received, reciprocity, and donor-imposed conditions. Performance obligations are determined based on the nature of the services provided by the Organization. Revenue from performance obligations satisfied over time is recognized based on actual time incurred in relation to the total expected period of providing the service, which is deemed to be the Organization year, which is simultaneous with the fiscal year. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to student activities and fees and tuition. The Organization measures the performance obligation throughout the Organization year. Revenue for performance obligations satisfied at a point in time, which includes mainly income from meals and is generally immaterial, is recognized when services are provided. The Organization determines the transaction price based on standard charges for goods or services provided to students, which are predetermined by management. Fees are generally nonrefundable, and total refunds issued annually are considered negligible.

Note 1. Summary of Significant Accounting Policies (Continued)

Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the Organization.

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. The following are the estimated useful lives of the fixed assets of the Organization:

Improvements	4 - 15 Years

Leases

The Organization accounts for leases under FASB ASC 842, which requires lessees to record right-of-use (ROU) assets and related lease obligations on the statement of financial position. The ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments over that term. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases)* and operating leases, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets.

Income Taxes

The Organization is recognized by the Internal Revenue Service (IRS) as a Section 501(c)(3) tax-exempt organization. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Functional Expenses

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses are recorded to program and function by direct identification.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The Organization received 87% of its revenues for the year ended June 30, 2025 from the State of Louisiana, subject to its contracts with local educational agencies.

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences

The Board of Directors of the Organization grants all contracted employees of the Organization a total of 9 days of sick/personal pay per year, provided, however, that the employee is contracted for a full year. Contracted employees may carry over five days of unused sick/personal days from year to year.

Liquidity and Availability

The Organization's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 45 - 60 days of program expenditures. It regularly monitors liquidity required to meet its operating needs and other contractual commitments. In addition, the Organization operates with a budget to monitor sources and uses of funds throughout the year.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	$	822,799
Grants Receivable		428,530
Total	$	1,251,329

Note 2. Fixed Assets

Depreciation expense for the year ended June 30, 2025 was $1,378.

All assets acquired with Louisiana Department of Education funds are owned by the Organization while used in the purpose for which they were purchased. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency. Assets purchased with private funds remain the property of the Organization.

Note 3. Accrued Liabilities

As of June 30, 2025, the Organization had recorded accrued liabilities of $729,497. This amount represents teachers' accrued salaries and benefits.

Note 4. Restriction on Assets

Net assets with donor restrictions are restricted by donors for specific programs, purposes, or to assist specific departments of the Organization. These restrictions are considered to expire when payments for restricted purposes are made. At June 30, 2025, the Organization had no net assets with donor restrictions.

Note 5. Leases

Operating Lease
The Organization leases copiers under an operating lease agreement with an original term of three years. Operating lease cost during the year ended June 30, 2025 was approximately $31,000. The lease matures on August 4, 2026. The discount rate assigned to the lease at June 30, 2025 is 4.00%.

Right-of-use assets under the lease at June 30, 2025 are as follows:

	Asset Amount	Accumulated Amortization	Net Value
Office Equipment	$ 62,565	$ (31,282)	$ 31,283

Changes in lease liabilities for the year ended June 30, 2025 are as follows:

July 1, 2024	Additions/ Changes	Retirements/ Payments	June 30, 2024	Due Within One Year
$ 68,896	$ -	$ (31,058)	$ 37,838	$ 32,324

Future lease payments at June 30, 2025 are as follows:

Year Ending December 31,	Principal	Interest
2026	$ 32,324	$ 925
2027	5,514	28
Total	$ 37,838	$ 953

Note 6. Management Contract and Related Parties

The Organization is affiliated with Third Future Schools and Third Future Schools - Texas. The Organization has entered into a management contract with Third Future Schools to provide network support to the Organization. During the year ended June 30, 2025, the Organization incurred $83,574 in network support expenses under this contract. Also, during the year ended June 30, 2025, Third Future Schools made contributions to the Organization in the amount of $132,188.

At June 30, 2025, $3,216 was due to the Organization from Third Future Schools – Texas, $69,761 was owed by the Organization to Third Future Schools, and $368,759 was due to the Organization from Third Future Schools. .

Note 7. Retirement Plan

The Organization offers a 403(b) plan to employees who are immediately vested upon entering the plan. Eligible employees may contribute up to the maximum allowed by the IRS. The Organization made employer contributions to the plan for the year ended June 30, 2025, amounting to $11,270.

Note 8. Uncertain Income Taxes

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in general administration expenses.

Note 9. Prior Period Adjustment

In the preparation of the June 30, 2024 financial statements, management of the Organization omitted the assets and liabilities of the Louisiana network which is the component of the Organization that administers its operations in the state of Louisiana. As a result, a prior period adjustment has been recorded which increased net assets by $10,955.

Note 10. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2025, and determined that the following event requires disclosure:

The Organization entered into an agreement with the Louisiana Recovery School District to operate Linwood Public Charter School, a type 5 charter school in Caddo Parish and entered into an agreement with the East Baton Rouge Parish School Board to operate Bridge Academy, an elementary school, for the 2025-2026 school year.

No further subsequent events occurring after December 15, 2025 have been evaluated for inclusion in the financial statements.

SUPPLEMENTARY INFORMATION

THIRD FUTURE SCHOOLS - LOUISIANA
Schedule of Financial Position by School
June 30, 2025

	Prescott Academy	Fair Park Middle	Linwood Public Charter	Bridge Academy	Louisiana Network	Eliminations	Consolidated
Assets							
Current Assets							
Cash and Cash Equivalents	$ 291,264	$ 1,184,859	$ 229,654	$ -	$ -	$ (882,978)	$ 822,799
Grants Receivable	45,837	382,693	-	-	-	-	428,530
Due from Affiliate	-	-	-	-	466,046	-	466,046
Prepaid Expenses	-	66,350	-	404,341	-	-	470,691
Total Current Assets	337,101	1,633,902	229,654	404,341	466,046	(882,978)	2,188,066
Fixed Assets							
Building Improvements, net of Depreciation	11,134	-	-	-	-	-	11,134
Right-of-Use Assets, net of Amortization	31,283	-	-	-	-	-	31,283
Total Fixed Assets, Net	42,417	-	-	-	-	-	42,417
Total Assets	$ 379,518	$ 1,633,902	$ 229,654	$ 404,341	$ 466,046	$ (882,978)	$ 2,230,483
Liabilities and Net Assets							
Current Liabilities							
Accounts Payable	$ 468,555	$ 45,457	$ -	$ -	$ 11,831	$ -	$ 525,843
Accrued Liabilities	203,716	31,408	1,375	4,126	488,872	-	729,497
Due to Affiliate	-	-	-	430,967	521,772	(882,978)	69,761
Lease Liabilities, current	32,324	-	-		-	-	32,324
Total Current Liabilities	704,595	76,865	1,375	435,093	1,022,475	(882,978)	1,357,425
Long-term Liabilities							
Lease Liabilities, less current portion	5,514	-	-	-	-	-	5,514
Total Liabilities	710,109	76,865	1,375	435,093	1,022,475	(882,978)	1,362,939
Net Assets							
Without Donor Restrictions	(330,591)	1,557,037	228,279	(30,752)	(556,429)	-	867,544
With Donor Restrictions		-	-	-	-	-	-
Total Net Assets	(330,591)	1,557,037	228,279	(30,752)	(556,429)	-	867,544
Total Liabilities and Net Assets	$ 379,518	$ 1,633,902	$ 229,654	$ 404,341	$ 466,046	$ (882,978.00)	$ 2,230,483

See independent auditor's report.

THIRD FUTURE SCHOOLS - LOUISIANA
Schedule of Activities by School
For the Year Ended June 30, 2025

	Precott Academy			Fair Park Middle			Linwood Public Charter		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Grants, and Other Support									
State Public School Funding	$ 5,430,830		$ 5,430,830	$ 6,139,781		$ 6,139,781	$ -	$ -	$ -
Federal Grant Revenue	357,527		357,527	954,251		954,251	-	-	-
Other Grant Revenue	132,188		132,188	-		-	250,000	-	250,000
Net Assets Released from Restrictions			-	-		-	-	-	-
Total Revenue, Grants, and Other Support	5,920,545	-	5,920,545	7,094,032	-	7,094,032	250,000	-	250,000
Expenses									
Program Services									
Education Programs	4,264,015		4,264,015	3,469,706		3,469,706	-	-	-
Supporting Services									
Management and General	1,229,280		1,229,280	2,067,289		2,067,289	21,721	-	21,721
Total Expenses	5,493,295	-	5,493,295	5,536,995	-	5,536,995	21,721	-	21,721
Change in Net Assets	427,250	-	427,250	1,557,037	-	1,557,037	228,279	-	228,279
Net Deficit, Beginning of Year	(757,841)		(757,841)	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-
Net Deficit, Beginning of Year, Restated	(757,841)	-	(757,841)	-	-	-	-	-	-
Net Assets, End of Year	$ (330,591)	$ -	$ (330,591)	$ 1,557,037	$ -	$ 1,557,037	$ 228,279	$ -	$ 228,279

See independent auditor's report.

THIRD FUTURE SCHOOLS - LOUISIANA
Schedule of Activities by School (Continued)
For the Year Ended June 30, 2025

	Bridge Academy			Louisiana Network				Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Grants, and Other Support										
State Public School Funding			$ -			$ -	$ -	$ 11,570,611	$ -	11,570,611
Federal Grant Revenue			-			-	-	1,311,778	-	1,311,778
Other Grant Revenue	-		-	9,185		9,185	-	391,373	-	391,373
Net Assets Released from Restrictions			-			-	-	-	-	-
Total Revenue, Grants, and Other Support	-	-	-	9,185	-	9,185	-	13,273,762	-	13,273,762
Expenses										
Program Services										
Education Programs	12,055		12,055	63,034		63,034	-	7,808,810	-	7,808,810
Supporting Services										
Management and General	18,697		18,697	607,606		607,606	-	3,944,593	-	3,944,593
Total Expenses	30,752	-	30,752	670,640	-	670,640	-	11,753,403	-	11,753,403
Change In Net Assets	(30,752)	-	(30,752)	(661,455)	-	(661,455)	-	1,520,359	-	1,520,359
Net Deficit, Beginning of Year			-	-		-	-	(757,841)	-	(757,841)
Prior Period Adjustment	-	-	-	10,955	-	10,955	-	10,955	-	10,955
Net Deficit, Beginning of Year, Restated	-	-	-	10,955	-	10,955	-	(746,886)	-	(746,886)
Net Assets, End of Year	$ (30,752)	$ -	$ (30,752)	$ (650,500)	$ -	$ (650,500)	$ -	$ 773,473	$ -	$ 773,473

See independent auditor's report.

THIRD FUTURE SCHOOLS - LOUISIANA
Schedule of Governing Board
For the Year Ended June 30, 2025

Board Member	Compensation
William Bradford President	$0
Phillip Rozeman Director	$0
Roy Priestwood *Board Member*	$0
Julie Gilley Director	$0
Valarie Jamison Director	$0
Gard Wayt Board Member	$0
Kara Maggorie Board Member	$0

See independent auditor's report.

THIRD FUTURE SCHOOLS - LOUISIANA
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2025

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees, be reported as a supplemental report within the financial statements of local governmental and quasi-public auditees. In 2015, Act 482 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that non-governmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head
Zach Craddock. Superintendent

Purpose	Amount
Salary	
Benefits - Insurance	
Benefits - Disability Insurance	
Benefits - Retirement	
Benefits - Medicare	
Benefits - Parking Permit, NSU	
Stipends	
Vehicle Provided by Government	
Per Diem	
Reimbursements	$2,083
Travel	$14,144
Registration Fees	
Conference Travel	
Continuing Professional Education Fees	
Housing	
Unvouchered Expenses	
Special Meals	

See independent auditor's report.

MAULDIN & JENKINS
CPAs & ADVISORS

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

Independent Auditor's Report

To the Board of Directors
Third Future Schools - Louisiana
Baton Rouge, Louisiana

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

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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, we did not identify any deficiencies in internal control that that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs.

Response to Finding

Third Future Schools - Louisiana's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Organization's response and, accordingly, we express no opinion on it.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mauldin & Jenkins, LLC

Baton Rouge, LA
December 15, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Independent Auditor's Report

To the Board of Directors
Third Future Schools – Louisiana
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Third Future Schools - Louisiana's (the Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's 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 Organization 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 Organization 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 Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's 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 to express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

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 Louisiana Legislative Auditor as a public document.

Mauldin & Jenkins, LLC

Baton Rouge, LA
December 15, 2025

THIRD FUTURE SCHOOLS - LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Pass Through Number	Federal Expenditures
United States Department of Education			
(Passed through the Louisiana Department of Education)			
Title I Grants to Local Educational Agencies	84.010A *	25-T1	$ 475,519
Special Education Cluster			
Special Education Grants to States	84.027	25IB	255,210
Charter Schools	84.282 *	1007251	377,774
Teacher and School Leader Incentive Grants	84.374	None	183,075
Student Support and Academic Enrichment	84.424	25T4S	20,200
Total United States Department of Education			1,311,778
Total Expenditures of Federal Awards			$ 1,311,778

* Indicates major program.

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Accounting

The schedule is prepared on the accrual basis of accounting.

Note 2. De Minimis Cost Rate

The 10% de minimis indirect cost rate was used during the year ended June 30, 2025.

Part I. Summary of Auditor's Results

Financial Statements

1) Type of auditor's report — Unmodified

2) Internal control over financial reporting and compliance and other matters:

   a) Material weaknesses identified? — No
   b) Significant deficiencies identified? — No
   c) Noncompliance material to the financial statements noted? — Yes

3) Management letter comment provided? — None

Federal Awards

4) Internal control over major programs

   a) Material weaknesses identified? — None reported
   b) Significant deficiencies identified not considered to be material weaknesses? — None reported

5) Type of auditor's report issued on compliance for major programs — Unmodified

6) Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? No

7) Identification of major programs

   84.010A - Title I Grants to Local Educational Agencies
   84.282 - Charter Schools

8) Dollar threshold used to distinguish between Type A and B programs — $750,000

9) Auditee qualified as a low-risk auditee under Uniform Guidance — No

Part II. Findings Related to the Financial Statements

2025-001 Mandatory Ethics Training

Criteria: Louisiana Revised Statutes 42:1170 requires that each employee/official complete a one hour ethics training during the calendar year.

Condition: During our performance of statewide agreed-upon procedures we selected 5 employees/officials for testing of the training requirement during 2025. None of the employees/officials selected for tested had taken the ethics training in 2025.

Cause:	Unknown
Effect:	Noncompliance with state law.
Recommendation:	We recommend that the Organization ensure that all employees and officials obtain the required annual ethics training in future years.
Management's Response:	Management will ensure that all employees and officials will obtain the 1 hour ethics training.

Part III – Findings and Questioned Costs Related to Major Federal Award Programs

None

2024-001 Material Journal Entries

This finding has been resolved.

2024-002 Late Submission of Audit Report to the Legislative Auditor

This finding has been resolved

2024-003 Mandatory Ethics Training

This finding has not been resolved. See finding 2025-001.