

**RED RIVER  
CHARTER ACADEMY, INC.**

**Mansura, Louisiana**

**Financial Report  
Year Ended June 30, 2022**

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# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S REPORT

Mr. Charles Jones, Executive Director  
and Members of the Board of Directors of  
Red River Charter Academy, Inc.  
Mansura, Louisiana

### Report on the Audit of Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Red River Charter Academy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Red River Charter Academy, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Red River Charter Academy, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

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

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

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

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

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

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

In accordance, with *Government Auditing Standards*, we have also issued our report dated March 28, 2023, on our consideration of Red River Charter Academy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Red River Charter Academy, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Red River Charter Academy, Inc.'s internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
March 28, 2023

**FINANCIAL STATEMENTS**

Red River Charter Academy, Inc.  
Mansura, Louisiana  
Statement of Financial Position  
June 30, 2022

ASSETS

Current assets:	
Cash and cash equivalents	\$ 521,956
Grants receivable	<u>605,644</u>
Total current assets	<u>1,127,600</u>
Restricted assets:	
Cash and cash equivalents	<u>473</u>
Fixed assets:	
Property and equipment	590,932
Less: accumulated depreciation	<u>(202,176)</u>
Total fixed assets, net	<u>388,756</u>
Total assets	<u>\$ 1,516,829</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 11,944
Salaries and benefits	93,926
Due to others	89,703
Line of credit	<u>87</u>
Total current liabilities	<u>195,660</u>
Net assets:	
Without donor restrictions	1,320,696
With donor restrictions	<u>473</u>
Total net assets	<u>1,321,169</u>
Total liabilities and net assets	<u>\$ 1,516,829</u>

The accompanying notes are an integral part of the basic financial statements.

Red River Charter Academy, Inc.  
Mansura, Louisiana

Statement of Activities  
For the Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Changes in net assets			
Revenues, gains and other support:			
State MFP revenue	\$ 970,742	\$ -	\$ 970,742
Federal and state grants	726,067	-	726,067
Local sources	464,340	5,000	469,340
Miscellaneous revenue	33,043	21,053	54,096
Net assets released from restrictions	<u>36,809</u>	<u>(36,809)</u>	<u>-</u>
Total	<u>2,231,001</u>	<u>(10,756)</u>	<u>2,220,245</u>
 Expenses and losses:			
Program services	1,798,327	-	1,798,327
Supporting services -			
Administrative expenses	<u>505,060</u>	<u>-</u>	<u>505,060</u>
Total	<u>2,303,387</u>	<u>-</u>	<u>2,303,387</u>
 Change in net assets	 (72,386)	 (10,756)	 (83,142)
 Net assets, beginning of year	 <u>1,393,082</u>	 <u>11,229</u>	 <u>1,404,311</u>
 Net assets, end of year	 <u>\$ 1,320,696</u>	 <u>\$ 473</u>	 <u>\$ 1,321,169</u>

The accompanying notes are an integral part of the basic financial statements.

Red River Charter Academy, Inc.  
Mansura, Louisiana

Statement of Functional Expenses  
For the Year Ended June 30, 2022

	<u>Program Services</u>	<u>Support Services Administrative Expenses</u>	<u>Total</u>
Expenses:			
Salaries	\$ 945,854	\$ 295,847	\$ 1,241,701
Payroll taxes	65,944	27,376	93,320
Employee group insurance	63,092	25,166	88,258
Retirement fund contribution	4,273	1,795	6,068
Other employee benefits	6,204	2,535	8,739
Transportation	97,541	1,206	98,747
Depreciation expense	86,787	-	86,787
Dues and fees	-	3,504	3,504
Insurance	34,200	-	34,200
Rent	38,500	-	38,500
Repairs and maintenance	75,718	-	75,718
Audit / accounting services	-	56,129	56,129
Other professional services	99,435	12,433	111,868
Miscellaneous expense	51,862	-	51,862
Materials and supplies	105,410	33,157	138,567
Books and periodicals	285	-	285
Telephone and postage	-	45,912	45,912
Utilities	29,779	-	29,779
Food service management	93,443	-	93,443
	<u>\$ 1,798,327</u>	<u>\$ 505,060</u>	<u>\$ 2,303,387</u>
Totals	<u>\$ 1,798,327</u>	<u>\$ 505,060</u>	<u>\$ 2,303,387</u>

The accompanying notes are an integral part of the basic financial statements.

Red River Charter Academy, Inc.  
Mansura, Louisiana

Statement of Cash Flows  
For the Year Ended June 30, 2022

Cash flows used by operating activities:	
Change in net assets without donor restrictions	\$ (83,142)
Adjustments to reconcile change in net assets without donor restrictions to net cash used by operating activities -	
Depreciation	86,787
( Increase) decrease in operating assets	
Grants receivable	(413,925)
Prepaid expenses	9,744
Increase (decrease) in operating liabilities	
Accounts payable	(3,043)
Salaries and benefits	28,896
Due to others	<u>89,703</u>
Net cash used by operating activities	<u>(284,980)</u>
Cash flows from investing activities:	
Purchases of leasehold improvements	<u>(296,668)</u>
Net change in cash and cash equivalents	<u>\$ (581,648)</u>
Cash and cash equivalents, beginning of year	
Unrestricted	\$ 1,097,253
Restricted	<u>6,824</u>
	<u>1,104,077</u>
Cash and cash equivalents, end of year:	
Unrestricted	521,956
Restricted	<u>473</u>
	<u>\$ 522,429</u>

The accompanying notes are an integral part of the basic financial statements.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

(1) Nature of Activities and Significant Accounting Policies

A. Nature of Organization and Operations

The Red River Charter Academy, Inc. (the Academy) was granted a charter by the State Board of Elementary and Secondary Education in 2018 to teach a diverse population of children in an atmosphere that encourages active inquiry, fosters individual growth, and promotes respect for self, others, and the world in which they live. The Academy incorporates firm policies of discipline with parental and community involvement so that students will master essential academic and life skills. The Academy is a Type 2 charter school governed by an eight-member board of directors who serve without compensation.

B. Income Taxes

The Academy is a non-profit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and is an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Academy and recognize a tax liability (or asset) if the Academy has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Academy and has concluded that as of June 30, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Academy is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

C. Financial Statement Presentation

The Academy reports information regarding its financial position and activities according to two classes of net assets: Net Assets without Donor Restrictions and Net Assets with Donor Restrictions.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Public Support and Revenue

The Academy receives its grant support primarily from the Louisiana State Department of Education Minimum Foundation program. Approximately 44% of the Academy's funding is from this program. Other public support is received from the U.S. Department of Education.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Donated professional time is valued at the current market rate of the specific project. Donated materials are valued at current market value at the time of donation. There were no donated services that met the criteria for recognition.

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the donor-imposed time or purpose restriction. Contributions with donor restrictions, for which the restriction is met in the same year, are classified as net assets without donor restrictions.

E. Net Assets

The net assets of the Academy and changes therein are classified and reported as follows:

Net Assets with Donor Restrictions – Net Assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature. These restrictions will be satisfied by actions of the Academy or by the passage of time.

Net Assets without Donor Restrictions – Net Assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Academy. These net assets may be used at the discretion of the Academy’s management and board of directors.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Property and Equipment

Property and equipment are recorded at historical cost and depreciated over their estimated useful lives using the straight-line method. Donated property and equipment are recorded at their estimated fair value at the date of donation. The range of estimated useful lives is as follows:

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

Buildings and improvements	40 years
Furniture and fixtures	5-7 years
Machinery and equipment	5-10 years

H. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Academy considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

I. Grants Receivable

Grant receivables are stated at the amount management expects to collect in future periods. Management considers all grant receivable balances to be fully collectible, therefore no allowance for doubtful accounts is recorded on June 30, 2022.

J. Compensated Absences

Teachers and staff earn a maximum of eight sick and/or personal days per year. Accumulated days do not carry over to the next year, but may, at the discretion of the board of directors, be used for extended sick leave when an employee has a medical event that necessitates a recovery of more than ten days. At the time of retirement, death or separation, no monies are owed or paid to an employee for accumulated sick days. The accumulated days on record at the time an employee leaves the Academy to continue in another public or Academy school system are not transferrable upon separation. Therefore, no compensated absences liability is recorded at June 30, 2022.

K. Functional Allocation of Expenses

The costs of providing various program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

L. Revenue Recognition

Program reimbursements and grants are recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

(2) Cash and Interest-Bearing Deposits

At June 30, 2022, the Academy had cash and interest-bearing deposits (book balances) totaling \$522,429. These deposits are stated at cost, which approximates market. Deposit balances (bank balances) at June 30, 2022 totaled \$555,031. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. Total uninsured cash balances of \$302,601 were exposed to custodial credit risk on June 30, 2022.

(3) Grants Receivable

Grant receivables consisted of the following at June 30, 2022.

United States Department of Education:

Title I	\$ 239,921
ESSER I	40,448
ESSER II	239,494
ESSER III	62,460
IDEA 611A	11,682
School Food Services	<u>11,639</u>
	<u>\$ 605,644</u>

Grant receivables are considered to be fully collectible by management, therefore, no allowance for doubtful accounts is recorded at June 30, 2022.

(4) Property and Equipment

A summary of property and equipment is as follows:

Leasehold improvements	\$ 324,477
Furniture and fixtures	34,316
Machinery and equipment	232,139
Accumulated depreciation	<u>(202,176)</u>
Fixed assets, net	<u>\$ 388,756</u>

Depreciation expense for the year ended June 30, 2022 was \$86,787.

(5) Due to Others

At June 30, 2022, the amount recorded as due to others consisted of \$89,703 of Minimum Foundation Program funding overpayments received from the Louisiana Department of Education during the current fiscal year.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

(6) Line of Credit

On June 30, 2022, the Academy had an open line of credit with a financial institution in the amount of \$250,000 that can be drawn upon as needed for working capital purposes. The line of credit is renewable annually, bears interest at 5.5% per annum, and is collateralized by future governmental payments received by the Academy. As of June 30, 2022, the balance owed on the line of credit was \$87 and the balance available to be drawn upon was \$249,913.

(7) Operating Leases

The Academy leased four school buses under an operating lease executed on October 10, 2019. The terms of the lease required monthly payments of \$5,933 for three years with the lease expiring on June 30, 2022. On July 1, 2022, the lease was renewed for an additional three years under the same terms and expires on June 30, 2025. Lease payments totaling \$71,200 were recognized as transportation expense during the fiscal year ending June 30, 2022.

The Academy entered into a lease agreement with the Avoyelles Parish School Board in prior years for the right to use land and property. During the current year, the original 45-year lease term was extended to 50 years with a monthly payment of \$3,500. Payments totaling \$38,500 are recognized as rent expense during the fiscal year ending June 30, 2022.

The minimum future rental payments of operating leases having a remaining term of more than one year as of June 30, 2022, is as follows:

Year Ending June 30,	Amount
2023	\$ 113,200
2024	113,200
2025	113,200
2026	42,000
2027	42,000
2028 and thereafter	<u>1,764,000</u>
	<u>\$ 2,187,600</u>

(8) Deferred Compensation Plan

Employees of the Academy have the option of participating in a defined contribution salary deferral plan that was established in accordance with Section 403(B) of the Internal Revenue Code. Under the plan, the Academy contributes a discretionary matching contribution equal to a percentage of the amount of the salary reduction elected by the employee, up to 3% of compensation. The employee may elect a salary reduction up to the maximum annual allowable amount established by applicable Internal Revenue Code Sections. The Academy's contributions to the plan totaled \$5,529 for the year ending June 30, 2022. All employer and employee contributions and earnings are immediately vested.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

(9) Schedule of Compensation, Benefits and Other Payments to Director

A detail of compensation, benefits, and other payments made to the Director Charles Jones for the year ended June 30, 2022 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 86,025
Benefits - payroll tax	6,882
Reimbursements	<u>1,146</u>
	<u>\$ 94,053</u>

(10) Contingencies

Financial awards received from federal, state, and local governmental entities in the form of grants are subject to audit and review by the entities providing the funding. Such audits and reviews could result in expenses being disallowed under the terms and conditions of the grants. Management is not aware of any disallowances related to grants as of June 30, 2022. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

(11) Concentrations

The Academy receives a significant portion of its support from the Minimum Foundation Program (MFP) administered by the Louisiana Department of Education. Management is unaware of any actions that may significantly affect the level of funding to be received in future years. Approximately 44% of total revenues received during the year ended June 30, 2022 were received from the MFP program.

(11) Net Assets with Donor Restrictions

As of June 30, 2022, net assets with donor restrictions consisted of \$473 received from various student related classes and clubs within the school. These monies were received for specific purposes and will be released from net assets with donor restrictions when those specific purposes have been met.

(12) Liquidity and Availability of Resources

The Academy's financial assets available within one year of the balance sheet date for general expenditures are as follows:

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

Financial assets, at year-end	
Cash and cash equivalents	\$ 521,956
Grant receivable	<u>605,644</u>
Financial assets available within one year, at year-end	<u>\$ 1,127,600</u>

As part of the Academy's liquidity management program, a policy was adopted to structure financial assets to be available as general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Academy has committed a line of credit for \$250,000, which can be drawn upon as needed. The total amount available on this line of credit was \$249,913 on June 30, 2022.

(13) Litigation

The Academy is a defendant in pending litigation at June 30, 2022. While damages are alleged, the outcome of this litigation cannot be predicted with certainty.

(14) Risk Management

The Academy is exposed to risks of loss in the areas of general liability, property hazards, and workers compensation. All of these risks are addressed by the purchase of commercial insurance. There have been no significant reductions in insurance coverage during the current year, nor have settlements exceed insurance coverage in the past three years.

(15) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) intended to improve financial reporting of leasing transactions. The new standard affects all companies and organizations that lease assets and the liabilities for rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also requires quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Academy is evaluating the potential impact of the amendments on its' financial statements.

(16) Subsequent Events

Management of the Academy has evaluated subsequent events through the date that the financial statements were available to be issued, which corresponds to the date of the Independent Auditor's Report. No material subsequent events have been identified by management which would require recognition or disclosures in the financial statements.

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

Mr. Charles Jones, Executive Director,  
and the Board of Directors of  
Red River Charter Academy, Inc.  
Mansura, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Red River Charter Academy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2023.

### Report on Internal Control over Financial Reporting

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

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

Our consideration of the 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 may exist that have not been identified.

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

As part of obtaining reasonable assurance about whether Red River Charter Academy, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2022-001.

### **Red River Charter Academy, Inc.'s Response to Finding**

*Governmental Auditing Standards* requires the auditor to perform limited procedures on Red River Charter Academy, Inc.'s response to the finding identified in our audit and described in the accompanying schedule of current and prior year audit findings. Red River Charter Academy, Inc.'s response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on this response.

### **Purpose of this Report**

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
March 28, 2023

RED RIVER CHARTER ACADEMY, INC.  
Mansura, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2022

Part I: Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

There are no internal control findings to be reported.

B. Compliance and other matters

2022-001 Late Filing of Financial Statement Audit

CONDITION: The Red River Charter Academy, Inc. failed to comply with LA R.S. 24:513 by not submitting its audited financial statements to the Louisiana Legislative Auditor within six months of its fiscal year-end.

CRITERIA: LA R.S. 24:513

CAUSE: The Red River Charter Academy, Inc. experienced unusual turnover in its accounting and management personnel during the current fiscal year, resulting in information not being provided to the auditor in a timely manner.

EFFECT: The Red River Charter Academy failed to comply with state statutes.

RECOMMENDATION: The Red River Charter Academy, Inc. should ensure compliance with LA R.S. 24:513 by providing information to its auditors in a timely manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Red River Charter Academy, Inc. acknowledges the financial statement filing requirement of LA R.S. 24:513 and intends to implement procedures to ensure information is provided to its auditors in a timely manner.

RED RIVER CHARTER ACADEMY, INC.  
Mansura, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended June 30, 2022

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.

**SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors of the Red River Charter Academy, Inc.  
Louisiana Department of Education  
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Red River Charter Academy, Inc., (Academy) for the fiscal year ended June 30, 2022, and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514. Management of the Red River Charter Academy, Inc. is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions and reviewed supporting documentation and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

There were no exceptions noted.

### **Class Size Characteristics (Schedule 2)**

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

There were no exceptions noted.

### **Education Levels of Academy Staff (NO SCHEDULE)**

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

There were no exceptions noted.

### **Academy Staff Data: Average Salaries (NO SCHEDULE)**

4. We obtained the June 30th PEP data submitted to the Department of Education or equivalent listing provided by management of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data or equivalent listing prepared by management.

There were no exceptions noted.

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

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Red River Charter Academy, Inc., as required by Louisiana Revised Statute 24:514, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
March 28, 2023

RED RIVER CHARTER ACADEMY, INC.  
Mansura, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)  
As of and for the Year Ended June 30, 2022

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

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

**Schedule 2 (Formerly Schedule 6) - Class Size Characteristics**

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

Red River Charter Academy, Inc.  
Mansura, Louisiana  
Schedule I

General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2022

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities -

Classroom Teacher Salaries	\$ 568,875
Other Instructional Staff Activities	77,892
Instructional Staff Employee Benefits	90,162
Purchased Professional and Technical Services	1,197
Instructional Materials and Supplies	70,789
Instructional Equipment	18,067

Total Teacher and Student Interaction Activities \$ 826,982

Other Instructional Activities:

Pupil Support Services	15,737	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		15,737
Instructional Staff Services	400	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		400
School Administration	259,522	
Less: Equipment for School Administration	-	
Net School Administration		259,522

Total General Fund Instructional Expenditures (Total of Column B) \$ 1,117,453

Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000) \$ -

**Certain Local Revenue Sources**

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	-
Total Local Taxation Revenue	\$ -

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property \$ -

State revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

Red River Charter Academy, Inc.  
Mansura, Louisiana  
Schedule 2

Class Size Characteristics  
As of October 1, 2021

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0%	-	0%	-	0%	-	0%	-
Elementary Activity Classes	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High	10%	6	62%	36	28%	16	0%	-
Middle/Jr. High Activity Classes	17%	2	58%	7	25%	3	0%	-
High	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

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

**Red River Charter Academy**  
Mansura, Louisiana

Statewide Agreed-Upon Procedures Report

Fiscal Period July 1, 2021 through June 30, 2022

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Charles Jones, Executive Director  
and Members of the Board of Directors  
Red River Charter Academy  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Red River Charter Academy's management is responsible for those C/C areas identified in the SAUPs.

Red River Charter Academy, Inc has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021, through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

1. Obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- j) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**We performed the procedures and discussed the results with management.**

***Board or Finance Committee***

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- 2. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- b) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, we obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, we observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

### ***Bank Reconciliations***

---

- 3. Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### ***Collections (excluding electronic funds transfers)***

---

- 4. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
- a) Observed that receipts are sequentially pre-numbered.
  - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Traced the deposit slip total to the actual deposit per the bank statement.
  - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Traced the actual deposit per the bank statement to the general ledger.

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

---

- 8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and

procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
- a) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
  - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observed that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

---

14. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts***

---

15. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtained management’s representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agreed the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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- 16. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtain related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:
  - a) Observed all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observed whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials, obtained related documentation of the hours, and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee or officials cumulative leave records, agreed the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 19. Obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

### *Debt Service*

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20. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.
21. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### *Fraud Notice*

---

22. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
23. Observed the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

### *Information Technology Disaster Recovery/ Business Continuity*

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24. Performed the following procedures, **verbally discussed the results with management, and report "We performed the procedures and discussed the results with management."**
  - a) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observed evidence that backups are encrypted before being transported.
  - b) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/ verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**We performed the procedures and discussed the results with management.**

**Findings:**

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No exceptions were found as a result of applying procedures listed above except:

**Written Policies:**

The Red River Charter Academy, Inc.'s management could not provide written policies and procedures that address each of the categories and subcategories, if applicable to public funds and the entity's operations.

**Board or Finance Committee:**

The Red River Charter Academy, Inc.'s board meeting minutes did not reference or include financial activity relating to public funds.

**Bank Reconciliations:**

Bank reconciliations do not include evidence that they were reviewed by a member of management/board member who does not handle cash, post ledgers, or issue checks.

**Collections:**

All employees who have access to cash are not covered by a bond or insurance policy for theft.

Deposits are not being made within one business day of receipt at the collection location.

**Non-Payroll Disbursements:**

Red River Charter Academy, Inc. does not prohibit the person responsible for processing payments from adding/modifying vendor files nor requires an employee not involved in payments processing to periodically review changes to vendor files.

**Fraud Notice:**

Observed that the Fraud Notice is not posted on the Red River Charter Academy, Inc.'s website.

**Management's Response:**

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Management of Red River Charter Academy, Inc. concurs with the exceptions and are working to address the deficiencies as identified.

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
March 28, 2023