

**NORTHEAST CLAIBORNE  
CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA**

Annual Financial Statements

June 30, 2022



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## Independent Auditor's Report

To the Board of Directors  
Northeast Claiborne Charter School  
Summerfield, Louisiana

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Northeast Claiborne Charter School (the School), which comprise the statement of financial position as of June 30, 2022, 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 financial statements present fairly, in all material respects, the financial position of the School 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 the School and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 the School'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 Responsibility 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* 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 Northeast Claiborne Charter School'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 Northeast Claiborne Charter School'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 board of directors 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 basic 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 13, 2022, on our consideration of the School'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 School'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 School's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA  
December 13, 2022

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Statement of Financial Position  
June 30, 2022**

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**Assets**

**Current Assets**

Cash and Cash Equivalents	\$ 605,674
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<b>Total Current Assets</b>	<u>605,674</u>
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**Property, Plant, and Equipment**

Bus	165,040
Software	35,300
Construction in Progress	15,000
Machinery and Equipment	28,858
Leasehold Improvements	5,938
Furniture	<u>2,792</u>

Total at Cost	252,928
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Less: Accumulated Depreciation	<u>(79,827)</u>
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<b>Net Property, Plant, and Equipment</b>	<u>173,101</u>
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<b>Total Assets</b>	<u><u>\$ 778,775</u></u>
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**Liabilities and Net Assets**

**Current Liabilities**

Accrued Expenses	\$ 118,266
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<b>Total Current Liabilities</b>	<u>118,266</u>
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**Net Assets**

Without Donor Restrictions	<u>660,509</u>
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<b>Total Liabilities and Net Assets</b>	<u><u>\$ 778,775</u></u>
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The accompanying notes are an integral part of these financial statements.

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Statement of Activities and Changes in Net Assets  
For the Year Ended June 30, 2022**

	<b>Without Donor Restrictions</b>
<hr/>	
<b>Support and Revenue</b>	
State Public School Funding	\$ 2,068,281
Federal Sources	559,635
Other State Funding	<u>3,944</u>
<b>Total Support and Revenue</b>	<u>2,631,860</u>
<b>Expenses</b>	
Program Services	
Education Programs	2,105,195
Supporting Services	
Management and General	<u>314,392</u>
<b>Total Expenses</b>	<u>2,419,587</u>
<b>Change in Net Assets</b>	<u>212,273</u>
<b>Net Assets, Beginning of Year</b>	<u>448,236</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 660,509</u></u>

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

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Statement of Functional Expenses  
For the Year Ended June 30, 2022**

	<b>Program Services</b>	<b>Supporting Services</b>	
	<b>Education Programs</b>	<b>Management and General</b>	<b>Total</b>
Tuition Paid to Out of State Local Educational Agency	\$ 980,772	\$ -	\$ 980,772
Salaries	559,045	137,308	696,353
Employee Benefits	205,677	46,181	251,858
Supplies, Materials, and Textbooks	127,299	55,374	182,673
Purchased Services	127,076	21,012	148,088
Student Transportation	48,317	-	48,317
Phone, Internet, and Postage	-	37,385	37,385
Insurance	32,955	(852)	32,103
Depreciation	23,056	-	23,056
Dues and Miscellaneous	898	10,022	10,920
Travel	100	7,962	8,062
<b>Total</b>	<b>\$ 2,105,195</b>	<b>\$ 314,392</b>	<b>\$ 2,419,587</b>

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



**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Statement of Cash Flows  
For the Year Ended June 30, 2022**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 212,273
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	23,056
Increase in Liabilities	
Accounts Payable	(1,304)
Accrued Expenses	<u>48,832</u>
<b>Net Cash Provided by Operating Activities</b>	<u>282,857</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of Fixed Assets	<u>(99,490)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(99,490)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	183,367
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>422,307</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 605,674</u></u>

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

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

Northeast Claiborne Charter School (the School) was created as a non-profit corporation under the laws of the State of Louisiana on February 4, 2013. The School entered into a Charter School Contract with the Louisiana State Board of Elementary and Secondary Education (BESE) beginning July 1, 2022, whereby the School would operate a Type 2 charter school as defined in Louisiana Revised Statute (R.S.) 17:3971, et. seq. The term of the charter continues through June 30, 2025.

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**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 School 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 School 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 available for general use and not subject to donor restrictions. This category also includes board-designated net assets.

*Nets Assets With Donor Restrictions* - Net assets representing contributed funds subject to specific donor-imposed restrictions contingent upon a specific purpose or a specific passage of time.

In addition, the School 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 School are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

**Revenues and Support**

**State Public School Funding**

The School's primary source of funding is through the State Public School Fund. The School receives funding per eligible student in attendance on October 1<sup>st</sup>, payable in monthly installments. The October 1<sup>st</sup> student count is audited by the Louisiana Department of Education. Adjustments are made in the following year.

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Revenues and Support (Continued)**

Federal and State Grants

Federal and state grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Private Grants and Contributions

Private grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The School will not recognize a conditional promise to give until the conditions on which the promise depends are substantially met. Contributions are reported as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions expected to be collected in less than one year are reported at net realizable value. Those expected to be collected in more than one year are recorded at fair value at the date of the promise and are discounted at an appropriate discount rate. Future amortization of the discount will be included in contribution revenue. Management closely monitors outstanding balances and writes off any balances deemed uncollectible.

Contracts vs. Contributions

The School 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 School. 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 school year, which is simultaneous with the fiscal year. The School 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 School measures the performance obligation throughout the school 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 School 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.

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Reversionary Interest in Funds and Assets**

All funds received from the Louisiana Department of Education, United States Department of Education, or other state or federal agency are funds earned by the School to be used for the purpose for which they were acquired. These agencies, however, have a reversionary interest in these funds, as well as any assets acquired with these funds. Should the charter agreement not be renewed, those funds and assets will transfer to the appropriate agency.

**Recent Accounting Pronouncements - Not Yet Adopted**

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02, as deferred by ASU 2020-05, is effective for financial statements issued for annual periods beginning after December 15, 2021. Management is currently evaluating the impact of adopting the new revenue standard on its financial statements.

**Fixed Assets and Depreciation**

Fixed assets are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments, which 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 School. 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 School:

<b>Assets</b>	<b>Useful Lives</b>
Furniture and Equipment	5 - 7 Years
Leasehold Improvements	5 Years
Software	5 Years

**Compensated Absences**

Employees earn 2 weeks of vacation and from 9 to 12 sick days per year depending on contract. Employees may carryover up to a maximum of 5 vacation days and 90 sick days. At June 30, 2022, the School has recorded a liability of \$118,266 for compensated absences, which is shown in accrued expenses.

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Functional Expenses**

The costs of providing the School'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 first allocated by direct identification and then allocation if an expenditure benefits more than one program or function. As of June 30, 2022, expenses were not allocated.

**Income Taxes**

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

**Statement of Cash Flows**

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

**Use of Estimates**

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

**Concentrations**

The School received 79% of its revenues for the year ended June 30, 2022 from the State of Louisiana, subject to its charter agreement with the State.

**Liquidity and Availability**

The School's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 60 days of program expenditures. It regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources that the School has available. In addition, the School 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 balance sheet date, comprise the following:

Cash and Cash Equivalents	<u>\$ 605,674</u>
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**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA**

**Notes to Financial Statements**

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**Note 2. Cash and Cash Equivalents**

The School's cash and cash equivalents (book balances) at June 30, 2022 were \$605,674, which are stated at cost which approximates market.

**Note 3. Fixed Assets**

Depreciation expense for the year ended June 30, 2022 was \$23,056.

All assets acquired with Louisiana Department of Education funds are owned by the School 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.

**Note 4. Retirement Plan**

Substantially all employees of the School are members of the Teachers' Retirement System of Louisiana (TRSL). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to this plan follows.

*Plan Description:* The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123. At June 30, 2021, the TRSL was 82.51% funded.

*Funding Policy:* Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the majority of the year ended June 30, 2022, the employer contribution rate was 25.2%. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the year ended June 30, 2022 was \$161,732, which was equal to the required contribution.

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA**

**Notes to Financial Statements**

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**Note 5. Uncertain Income Taxes**

The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements.

**Note 6. Management Agreement**

The School entered into a management agreement with Junction City School Board on June 16, 2014. The agreement was renewed on June 20, 2020 for a period of time from July 1, 2020 and June 30, 2022. Under the agreement, Junction City School Board provides all services for the provision of the education program which includes instructional and support personnel and use of Junction City School Board facilities. Contract payments are based on enrollment. The contract was renewed on January 18, 2022 through June 30, 2025. During the year ended June 30, 2022, the School paid Junction City School Board \$1,019,642.

**Note 7. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 13, 2022, and determined that the following event occurred that requires disclosure:

The School engaged in a contract with a construction company for the construction of a new office building in August of 2022. The School anticipates the completion of construction to be at the end of 2022.

No further subsequent events occurring after December 13, 2022, have been evaluated for inclusion in these financial statements.

## **SUPPLEMENTARY INFORMATION**



**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Schedule of Board of Directors  
For the Year Ended June 30, 2022**

<b>Board Members</b>	<b>Compensation</b>
Mrs. Lori Davis, President 184 Randolph Road Lillie, LA 71256 (318) 986-5267	\$-0-
Mrs. Videssa Owens, Vice President P. O. Box 132 Bernice, LA 71222 (318) 285-3332	\$-0-
Ms. Alana Girard, Treasurer 1023 Highway 15 Spearsville, LA 71277 (318) 478-0612	\$-0-
Mrs. Theresa Glover, Secretary - Resigned November 2021 P. O. Box 432 Junction City, AR 71749 (318) 986-4948	\$-0-
Mr. Joey Allen, Secretary 758 John Kelley Road Lillie, LA 71256 (870) 310-5755	\$-0-
Mr. Mark Lunsford 378 McLelland Road Lillie, LA 71256 (318) 986-5664	\$-0-
Mrs. Kim Rogers 139 Hoof Road Lillie, LA 71256 (318) 986-4591	\$-0-
Mrs. Angie Banks 231 Hoof Road Lillie, LA 71256 (318) 224-3942	\$-0-
Mr. John Eric Wright 530 Randolph Road Lillie, LA 71256 (318) 986-4518	\$-0-
Mrs. Tammy Brantley 110 Bethel Church Road Lillie, LA 71256 (870) 310-2660	\$-0-

See independent auditor's report.

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Schedule of Compensation, Benefits, and Other Payments  
to Agency Head  
For the Year Ended June 30, 2022**

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**Agency Head**  
Stacie Cary, School Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$79,212
Benefits - Insurance	\$7,007
Benefits - Retirement	\$19,962
Deferred Compensation (Contributions Made by the Agency)	\$0
Benefits - Bonus	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Cellphone	\$0
Dues	\$0
Vehicle Rental	\$0
Per Diem	\$0
Reimbursements	\$0
Travel (Reimbursed Meals)	\$0
Travel (Reimbursed Mileage)	\$557
Registration Fees	\$100
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**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  
Northeast Claiborne Charter School  
Summerfield, 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 Northeast Claiborne Charter School (the School), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 13, 2022.

**Internal Control Over Financial Reporting**

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 School'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.



A Professional Accounting Corporation

Baton Rouge, LA  
December 13, 2022

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022**

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**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?  | None reported |
| c) Noncompliance noted?  | No            |
| d) Other matters identified?   | No            |

Federal Awards

Not applicable.

**Part II. Findings Related to the Financial Statements**

None.

**Part III. Compliance and Other Matters**

None.

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Schedule of Prior Audit Findings  
For the Year Ended June 30, 2022**

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**Part II. Findings Related to the Financial Statements**

None.

**Part III. Compliance and Other Matters**

None.

**NORTHEAST CLAIBORNE  
CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA**

Agreed-Upon Procedures  
R.S. 24:514 - Performance and Statistical Data

June 30, 2022



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

To the Board of Directors  
Northeast Claiborne Charter School  
Summerfield, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Northeast Claiborne Charter School (the School) for the 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 I. The School's management is responsible for its performance and statistical data.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of the 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 random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of 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
  - Nonpublic Transportation Revenue

**Results:** No differences were 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<sup>st</sup> roll books for those classes and determined if the class was properly classified on the schedule.

**Results:** No differences were noted.

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

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

**Results:** No differences were noted.

### Public School Staff Data: Average Salaries (NO SCHEDULE)

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

**Results:** Only 4 individuals met the criteria for testing; however, no differences were noted.

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

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Northeast Claiborne Charter School as required by Louisiana Revised Statute 24:514 I, 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.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA  
December 13, 2022

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Schedules Required by State Law  
(R.S. 24:514 - Performance and Statistical Data)  
As of and For the Year Ended June 30, 2022**

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

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

**Schedule 2 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1 - 20, 21 - 26, 27 - 33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2022**

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$	266,510
Instructional Staff Employee Benefits		100,646
Other Instructional Staff Salaries		22,041
Purchased Professional and Technical Services		29,127
Instructional Materials and Supplies		8,387
Instructional Equipment		-
<b>Total Teacher and Student Interaction Activities</b>	\$	<b>426,711</b>
Other Instructional Activities		992,145
Pupil Support Services		704
Less: Equipment for Pupil Support Services		-
<b>Net Pupil Support Services</b>		<b>704</b>
Instructional Staff Services		74,512
Less: Equipment for Instructional Staff Services		-
<b>Net Instructional Staff Services</b>		<b>74,512</b>
School Administration		278,618
Less: Equipment for School Administration		-
<b>Net School Administration</b>		<b>278,618</b>
<b>Total General Fund Instructional Expenditures</b>	\$	<b>1,772,690</b>
<b>Total General Fund Equipment Expenditures</b>	\$	<b>-</b>

**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		-
<b>Total Local Taxation Revenue</b>	\$	<b>-</b>
Local Earnings on Investment in Real Property		
Earnings from 16 <sup>th</sup> Section Property	\$	-
Earnings from Other Real Property		-
<b>Total Local Earnings on Investment in Real Property</b>	\$	<b>-</b>
State Revenue in Lieu of Taxes		
Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
<b>Total State Revenue in Lieu of Taxes</b>	\$	<b>-</b>

**NORTHEAST CLAIBORNE CHARTER SCHOOL  
SUMMERFIELD, LOUISIANA  
Class Size Characteristics  
As of October 1, 2021**

**Schedule 2**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Regular - W5B	99.7%	330	0%	0	0.3%	1	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 the 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.

## **AGREED-UPON PROCEDURES REPORT**

Northeast Claiborne Charter School

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2021 - June 30, 2022**

To the Board of Directors  
Northeast Claiborne Charter School  
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) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2021 through June 30, 2022. Northeast Claiborne Charter School's (the School) management is responsible for those C/C areas identified in the SAUPs.

Northeast Claiborne Charter School 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 the LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe 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) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** We determined that sections #1j, Debt Service, and #1l, Sexual Harassment, were not applicable. No exceptions were identified as a result of performing procedures #1a, #1c, #1d, #1e, #1g, #1h, and #1k. We noted that under procedure #1b, the purchasing policy and procedures did not address item (2); under procedure #1f, the contracting policy and procedures did not address items (2), (3), and (5); and under procedure #1i, the ethics policy did not address items (2) and (3).



## **Board or Finance Committee**

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2. Obtain and inspect 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) Observe 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, observe 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 nonprofit 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, obtain the prior year audit report and observe 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, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results:** We determined that procedures #2b and #2c were not applicable. No other exceptions were noted as a result of performing these procedures.

## **Bank Reconciliations**

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include 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.

**Results:** No exceptions were noted as a result of performing these procedures.

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

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4. Obtain 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 select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect 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 observe 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. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select 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.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe 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) Trace the actual deposit per the bank statement to the general ledger.

**Results:** We noted that these procedures were not applicable as all of the School's revenues were wired into the bank account during the year ended June 30, 2022.

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe 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, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** We noted that the School has one payment processing location. For procedure #9, we noted exceptions for c) and d). No exceptions were noted as a result of performing procedure #10.

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

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11. Obtain 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. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe 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) Observe 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 select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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.

**Results:** For procedure #9a, we noted an exception in that the credit card statement is not approved by someone other than the account holder. No other exceptions were noted as a result of performing these procedures.

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

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14. Obtain 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 select 5 reimbursements, obtain 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, observe that 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, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe 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) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** We noted one travel reimbursement did not have an itemized receipt for a fuel charge. No other exceptions were noted as a result of performing these procedures.

### ***Contracts***

---

15. Obtain 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.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe 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) Observe that 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), observe 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 select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** No exceptions were noted as a result of performing these procedures.

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

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain 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 select 2 employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree 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. Obtain 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.

**Results:** No exceptions were noted as a result of performing these procedures.

### ***Ethics***

---

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** We noted 1 out of 5 employees/officials did not take the ethics training.

### ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree 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).

**Results:** We determined that procedures #21 and #22 were not applicable.

## ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the Legislative Auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that 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.

**Results:** We observed that the notice is posted at the School's premises but is not posted on its website. No other exceptions were noted as a result of performing these procedures.

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

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25. Perform the following procedures, verbally discuss the results with management, and report: "We performed the procedure and discussed the results with management."
  - a) Obtain and inspect 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 observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates 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.

**Results:** We performed the procedure and discussed the results with management.

## ***Sexual Harassment***

---

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1<sup>st</sup>, and observe that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

**Results:** We determined that procedures #26, #27, and #28 were not applicable.

We were engaged by Northeast Claiborne Charter School 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 Northeast Claiborne Charter School 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.



A Professional Accounting Corporation

Baton Rouge, LA  
December 13, 2022



Mr. Michael J. Waguespack  
Louisiana Legislative Auditor  
1600 N 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

RE: SAUP Agreed-Upon Procedures

The management of Northeast Claiborne Charter School wishes to provide the following responses relative to the results of the 2022 statewide agreed-upon procedures engagement:

- 1) The School will amend its policies and procedures to include the missing elements for purchasing, contracting and ethics.
- 2) The School segregate its duties for adding new vendors and mailing non-payroll disbursements
- 3) The School will amend its policies and procedures to include a review of the credit card statement by the Board Treasurer.
- 4) The School will ensure that itemized receipt is obtained for all future travel and travel related expenses.\
- 5) The School will ensure that all officials and employees obtain ethics training on an annual basis.

Sincerely,



Stacie Cary,  
School Director