

**RED RIVER
CHARTER ACADEMY, INC.**

Mansura, Louisiana

**Financial Report
Year Ended June 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

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* A Professional Accounting Corporation

The Board of Directors of
Red River Charter Academy, Inc.
Mansura, Louisiana

Report on the Financial Statements

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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Red River Charter Academy, Inc. as of June 30, 2020, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance, with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of Red River Charter Academy, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 22, 2021

FINANCIAL STATEMENTS

Red River Charter Academy, Inc.
Mansura, Louisiana
Statement of Financial Position
June 30, 2020

ASSETS

Current assets:	
Cash and cash equivalents	\$ 482,466
Grants receivable	45,426
Prepaid expense	<u>13,234</u>
Total current assets	<u>541,126</u>
Restricted assets:	
Cash and cash equivalents	<u>1,321</u>
Fixed assets:	
Property and equipment	209,905
Less: accumulated depreciation	<u>(37,409)</u>
Total fixed assets, net	<u>172,496</u>
Total assets	<u>\$ 714,943</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 143,454
Salaries and benefits	44,121
Due to others	1,321
Unearned revenue	16,848
Line of credit	100
Note payable - current portion	<u>145,140</u>
Total current liabilities	<u>350,984</u>
Net assets:	
Without donor restrictions	350,021
With donor restrictions	<u>13,938</u>
Total net assets	<u>363,959</u>
Total liabilities and net assets	<u>\$ 714,943</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, 2020

	<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	\$ 1,091,127	\$ -	\$ 1,091,127
Federal and state grants	285,994	-	285,994
Local sources	441,258	-	441,258
Miscellaneous revenue	69,675	-	69,675
Contributions- restricted	-	16,000	16,000
Net assets released from restrictions	<u>2,062</u>	<u>(2,062)</u>	<u>-</u>
Total	<u>1,890,116</u>	<u>13,938</u>	<u>1,904,054</u>
 Expenses and losses:			
Program services	1,275,560	-	1,275,560
Supporting services -			
Administrative expenses	<u>227,997</u>	<u>-</u>	<u>227,997</u>
Total	<u>1,503,557</u>	<u>-</u>	<u>1,503,557</u>
 Change in net assets	386,559	13,938	400,497
 Net assets, beginning of year	<u>(36,538)</u>	<u>-</u>	<u>(36,538)</u>
 Net assets, end of year	<u>\$ 350,021</u>	<u>\$ 13,938</u>	<u>\$ 363,959</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, 2020

	<u>Program Services</u>	<u>Support Services Administrative Expenses</u>	<u>Total</u>
Expenses:			
Salaries	\$ 532,081	\$ 120,703	\$ 652,784
Payroll taxes	43,835	9,944	53,779
Employee group insurance	31,310	7,111	38,421
Retirement fund contribution	7,755	1,759	9,514
Other employee benefits	9,492	1,776	11,268
Transportation	81,314	2,558	83,872
Depreciation expense	37,226	-	37,226
Dues and fees	-	9,430	9,430
Insurance	-	8,455	8,455
Rent	51,936	-	51,936
Repairs and maintenance	97,792	-	97,792
Audit / accounting services	-	8,741	8,741
Other professional services	100,166	43,537	143,703
Miscellaneous expense	4,499	-	4,499
Materials and supplies	161,637	6,122	167,759
Books and periodicals	2,390	-	2,390
Telephone and postage	-	3,426	3,426
Utilities	26,229	-	26,229
Food service management	87,898	-	87,898
Interest expense	-	4,435	4,435
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 1,275,560</u>	<u>\$ 227,997</u>	<u>\$ 1,503,557</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, 2020

Cash flows from operating activities:	
Change in net assets without donor restrictions	\$ 400,497
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities -	
Depreciation	37,226
Decrease (increase) in operating assets	
Grants receivable	35,552
Prepaid expenses	(13,234)
(Decrease) increase in operating liabilities	
Accounts payable	120,617
Due to others	1,321
Increase in unearned revenue	16,848
Net cash provided by operating activities	<u>598,827</u>
Cash flows from investing activities:	
Purchases of leasehold improvements and equipment	<u>(161,013)</u>
Cash flows from financing activities:	
Proceeds from PPP loan	145,140
Proceeds from line of credit	135,000
Payments on line of credit	<u>(249,900)</u>
Net cash provided by financing activities	<u>30,240</u>
Net change in cash	<u>468,054</u>
Cash and cash equivalents, beginning of year	
Unrestricted	15,733
Restricted	-
	<u>15,733</u>
Cash and cash equivalents, end of year:	
Unrestricted	482,466
Restricted	1,321
	<u>\$ 483,787</u>
Supplemental disclosure:	
Interest paid	<u>\$ 4,435</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, 2020 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 57% of the Academy's funding is from this program. Other public support is received from the U.S. Department of Education.

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

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

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

Grants receivable 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, 2020.

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, 2020.

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.

M. Subsequent Events

Subsequent events and transactions were evaluated through March 22, 2021 for potential recognition or disclosure, which was the issuance date of the financial statements.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

(2) Cash and Interest-Bearing Deposits

At June 30, 2020, the Academy had cash and interest-bearing deposits (book balances) totaling \$483,787. These deposits are stated at cost, which approximates market. Deposit balances (bank balances) at June 30, 2020 totaled \$483,337. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. Total uninsured cash balances of \$229,254 were exposed to custodial credit risk on June 30, 2020.

(3) Property and Equipment

A summary of property and equipment is as follows:

Leasehold improvements	\$ 3,300
Furniture and fixtures	27,481
Machinery and equipment	179,124
Accumulated depreciation	<u>(37,409)</u>
Fixed assets, net	<u>\$ 172,496</u>

Depreciation expense for the year ended June 30, 2020 was \$37,226.

(4) Line of Credit

On June 30, 2020, 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, 2020, the balance owed on the line of credit was \$100 and the balance available to be drawn upon was \$249,900.

(5) Note Payable

Notes payable consisted of the following:

\$145,140 Paycheck Protection Program loan payable to the Small Business Administration, funded by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, bearing interest at 1%. During December 2020, the debt was forgiven in full.

\$ 145,140

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

(6) Operating Leases

The Academy leases several school buses under an operating lease entered into on October 10, 2019. The terms of the lease require monthly payments of \$4,449 for three-years with the lease expiring on June 30, 2022. Lease payments totaling \$35,600 were recognized as transportation expense during the fiscal year ending June 30, 2020.

The Academy entered into a lease agreement with the Avoyelles Parish School Board for the right to use land and property. The terms of this lease are for 45 years from May 1, 2019 to April 30, 2064 with monthly payments of \$3,500. Payments totaling \$42,000 are recognized as rent expense during the fiscal year ending June 30, 2020.

The minimum future rental payments of operating leases having a remaining term in excess of one year as of June 30, 2020 is as follows:

Year Ending June 30,	Amount
2021	\$ 95,400
2022	95,400
2023	42,000
2024	42,000
2025	42,000
2026 and thereafter	1,638,000
	\$ 1,954,800

(7) Activity Deposits Due to Others

The Academy acted as custodian for several student activity accounts. Funds held on behalf of these groups amounted to \$1,321 at June 30, 2020, and are reported as both an asset and a liability. Consequently, there was no effect on the Academy's net assets.

(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 \$9,514 for the year ending June 30, 2020. 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 Directors, Stephanie Moreau (July 2019 to December 2019), and Leigh Fryery (March 2020 to June 2020) for the year ended June 30, 2020 follows:

<u>Purpose</u>	<u>Stephanie Moreau</u>	<u>Leigh Fryery</u>
Salary	\$ 43,203	\$ 37,500
Benefits - payroll tax	3,232	2,625
Benefits - insurance	1,737	4,168
Benefits - retirement	1,028	-
Continuing education	783	302
Reimbursements	<u>3,928</u>	<u>191</u>
	<u>\$ 53,911</u>	<u>\$ 44,786</u>

(10) Advertising

Advertising costs were expensed as incurred. Total advertising expense for the year ended June 30, 2020 was \$1,107.

(11) 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, 2020. 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.

(12) Net Assets with Donor Restrictions

Net assets with donor restrictions consists of funds received from several small private grants totaling \$13,938 as of June 30, 2020. These grants were solicited to supplement various academic and athletic programs of the Academy and are expected to be released from donor restrictions during the 2020 – 2021 school year.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

(13) 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:

Financial assets, at year-end	
Cash and cash equivalents	\$ 482,466
Grant receivable	45,426
Less assets unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions	<u>(13,938)</u>
Financial assets available within one year, at year-end	<u>\$ 513,954</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 in the amount of \$250,000, which can be drawn upon as needed. The total amount available on this line of credit was \$249,900 on June 30, 2020.

(14) Litigation

There was no litigation pending against the Red River Charter Academy, Inc. as of the date of March 22, 2021.

(15) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require 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.

In May 2014, the FASB issued Accounting Standards Update No. 2014-9, *Revenue from Contracts with Customers* (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede substantially all existing revenue recognition guidance. The new standard will be effective for annual periods beginning after June 30, 2020 and is not expected to have a significant impact on the Academy's 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*

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, 2020, 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 22, 2021.

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 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 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 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.

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 2020-001.

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. However, 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 22, 2021

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, 2020

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

2020-001 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 financial statements to the Louisiana Legislative Auditor within six months after its fiscal year-end.

CRITERIA: LA R.S. 24:513

CAUSE: The Red River Charter Academy, Inc. was unable to provide the necessary information required to complete the audit in a timely manner due to changes in accounting and management personnel.

EFFECT: The Academy did not comply with state law.

RECOMMENDATION: The Red River Charter Academy, Inc. should ensure compliance with LA R.S. 24:513 by engaging its independent auditor in a timely fashion.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Red River Academy, Inc. is aware of the filing requirements of LA R.S. 24:513 and will monitor compliance with this state statute in the future by ensuring information is made available in a timely manner to allow for completion of the audit.

**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, which were agreed to by the Red River Charter Academy, Inc., the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of Red River Charter Academy, Inc. for the fiscal year ended June 30, 2020; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with the Louisiana Revised Statute 24:514. Management of the Red River Charter Academy, Inc. is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

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 observed 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 expertise, 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.

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.

This agreed-upon procedures engagement was performed 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.

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 the Red River Charter Academy, Inc., as required by Louisiana Revised Statute 24:514.1, 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 22, 2021

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, 2020

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 (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 1

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2020

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities -		
Classroom Teacher Salaries	\$ 427,913	
Other Instructional Staff Activities	-	
Instructional Staff Employee Benefits	72,941	
Purchased Professional and Technical Services	1,451	
Instructional Materials and Supplies	148,894	
Instructional Equipment	<u>12,276</u>	
Total Teacher and Student Interaction Activities		\$ 663,475
Other Instructional Activities:		4,300
Pupil Support Services	13,484	
Less: Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		13,484
Instructional Staff Services	51,957	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		51,957
School Administration	233,651	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>233,651</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 966,867</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$ -</u>

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	<u>-</u>
Total Local Taxation Revenue	<u>\$ -</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	<u>\$ -</u>
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State revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue	<u>\$ -</u>
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Nonpublic Transportation Revenue	<u>\$ -</u>
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Red River Charter Academy, Inc.
Mansura, Louisiana
Schedule 2

Class Size Characteristics
As of October 1, 2019

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	0%	-	13%	7	87%	46	0%	-
Middle/Jr. High Activity Classes	0%	-	14%	1	86%	6	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.