

**RED RIVER  
CHARTER ACADEMY, INC.**

**Mansura, Louisiana**

**Financial Report  
Year Ended June 30, 2024**

## TABLE OF CONTENTS

|   | Page  |
|---|-------|
| Independent Auditor's Report  | 1-3   |
| FINANCIAL STATEMENTS  |       |
| Statement of financial position   | 5     |
| Statement of activities   | 6     |
| Statement of functional expenses  | 7     |
| Statement of cash flows   | 8     |
| Notes to financial statements   | 9-15  |
| INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS  |       |
| 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 <i>Government Auditing Standards</i> | 17-18 |
| Schedule of current and prior year audit findings and management's corrective action plan   | 19-20 |

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA  
Deidre L. Stock, CPA

*Of Counsel*  
C. Burton Kolder, CPA\*

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA - retired 2022  
Gerald A. Thibodeaux, Jr., CPA\* - retired 2024

\* A Professional Accounting Corporation

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.  
Ville Platte, LA 70586 Baton Rouge, LA 70816  
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Red River Charter Academy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Red River Charter Academy, Inc. (Academy) as of June 30, 2024, 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 Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Substantial Doubt about the Organization's Ability to Continue as a Going Concern*

The accompanying financial statements have been prepared assuming that the Academy will continue as a going concern. As discussed in Note 13 to the financial statements, the Academy will suffer a significant loss of revenues due to the Louisiana State Board of Elementary and Secondary Education (BESE) not renewing nor extending the Academy's operating charter, which expired June 30, 2024. Substantial doubt exists about the Academy's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 13. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

### ***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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

In accordance, with *Government Auditing Standards*, we have also issued our report dated November 26, 2024, on our consideration of Red River Charter Academy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Red River Charter Academy, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Red River Charter Academy, Inc.'s internal control over financial reporting and compliance.

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

Alexandria, Louisiana  
November 26, 2024

**FINANCIAL STATEMENTS**

Red River Charter Academy, Inc.  
Mansura, Louisiana  
Statement of Financial Position  
June 30, 2024

ASSETS

|                                |                   |
|--------------------------------|-------------------|
| Current assets:                |                   |
| Cash and cash equivalents      | \$ 329,336        |
| Grants receivable              | 182,784           |
| Other receivable               | 2,720             |
| Prepaid expense                | <u>87,427</u>     |
| Total current assets           | <u>602,267</u>    |
| Fixed assets:                  |                   |
| Property and equipment         | 667,232           |
| Less: accumulated depreciation | <u>(310,638)</u>  |
| Total fixed assets, net        | <u>356,594</u>    |
| Total assets                   | <u>\$ 958,861</u> |

LIABILITIES AND NET ASSETS

|                                  |                   |
|----------------------------------|-------------------|
| Current liabilities:             |                   |
| Accounts payable                 | \$ 139,516        |
| Salaries and benefits            | <u>63,869</u>     |
| Total current liabilities        | <u>203,385</u>    |
| Net assets:                      |                   |
| Without donor restrictions       | <u>755,476</u>    |
| Total liabilities and net assets | <u>\$ 958,861</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, 2024

|                                       | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With<br/>Donor<br/>Restrictions</u> | <u>Total</u>      |
|---------------------------------------|---|--|-------------------|
| Changes in net assets                 |   |  |                   |
| Revenues, gains and other support:    |   |  |                   |
| State MFP revenue                     | \$ 933,107                                | \$ -                                   | \$ 933,107        |
| Federal and state grants              | 779,071                                   | -                                      | 779,071           |
| Local sources                         | 399,017                                   | -                                      | 399,017           |
| Miscellaneous revenue                 | 38,515                                    | -                                      | 38,515            |
| Net assets released from restrictions | <u>473</u>                                | <u>(473)</u>                           | <u>-</u>          |
| Total                                 | <u>2,150,183</u>                          | <u>(473)</u>                           | <u>2,149,710</u>  |
| <br>Expenses and losses:              |   |  |                   |
| Program services                      | 2,303,261                                 | -                                      | 2,303,261         |
| Supporting services -                 |   |  |                   |
| Administrative expenses               | <u>539,225</u>                            | <u>-</u>                               | <u>539,225</u>    |
| Total                                 | <u>2,842,486</u>                          | <u>-</u>                               | <u>2,842,486</u>  |
| <br>Change in net assets              | (692,303)                                 | (473)                                  | (692,776)         |
| <br>Net assets, beginning of year     | <u>1,447,779</u>                          | <u>473</u>                             | <u>1,448,252</u>  |
| <br>Net assets, end of year           | <u>\$ 755,476</u>                         | <u>\$ -</u>                            | <u>\$ 755,476</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, 2024

|                                | <u>Program<br/>Services</u> | <u>Support Services<br/>Administrative<br/>Expenses</u> | <u>Total</u>       |
|--------------------------------|-----------------------------|---|--------------------|
| Expenses:                      |                             |   |                    |
| Salaries                       | \$ 951,500                  | \$ 146,094  | \$ 1,097,594       |
| Payroll taxes                  | 66,248                      | 16,488  | 82,736             |
| Employee group insurance       | 88,888                      | 545   | 89,433             |
| Retirement fund contribution   | 6,665                       | 986   | 7,651              |
| Other employee benefits        | 4,432                       | 416   | 4,848              |
| Transportation                 | 106,994                     | 1,761   | 108,755            |
| Advertising                    | -                           | 322   | 322                |
| Depreciation expense           | 40,142                      | -   | 40,142             |
| Dues and fees                  | -                           | 15,648  | 15,648             |
| Insurance                      | 35,248                      | 29,208  | 64,456             |
| Rent                           | 60,278                      | -   | 60,278             |
| Repairs and maintenance        | 182,904                     | -   | 182,904            |
| Audit / accounting services    | -                           | 131,709   | 131,709            |
| Other professional services    | 52,389                      | 151,175   | 203,564            |
| Miscellaneous expense          | 29,988                      | 2,112   | 32,100             |
| Purchased educational services | 340,997                     | -   | 340,997            |
| Materials and supplies         | 161,828                     | 42,761  | 204,589            |
| Utilities                      | 58,420                      | -   | 58,420             |
| Food service management        | 116,340                     | -   | 116,340            |
|                                | <u>\$2,303,261</u>          | <u>\$ 539,225</u>                                       | <u>\$2,842,486</u> |
| Totals                         |                             |   |                    |

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, 2024

|   |                   |
|---|-------------------|
| Cash flows used by operating activities:  |                   |
| Change in net assets without donor restrictions   | \$ (692,776)      |
| Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities - |                   |
| Depreciation  | 40,142            |
| ( Increase) decrease in operating assets  |                   |
| Grants receivable   | 341,001           |
| Other receivable  | 587               |
| Prepaid expenses  | (73,427)          |
| Increase (decrease) in operating liabilities  |                   |
| Accounts payable  | 59,807            |
| Salaries and benefits payable   | <u>(8,729)</u>    |
| Net cash used by operating activities   | <u>(333,395)</u>  |
| <br>  |                   |
| Cash flows from investing activities:   |                   |
| Purchases of furniture & fixtures   | <u>(8,500)</u>    |
| <br>  |                   |
| Net change in cash and cash equivalents   | <u>(341,895)</u>  |
| <br>  |                   |
| Cash and cash equivalents, beginning of year  |                   |
| Unrestricted  | 670,758           |
| Restricted  | <u>473</u>        |
|   | <u>671,231</u>    |
| <br>  |                   |
| Cash and cash equivalents, end of year:   |                   |
| Unrestricted  | 329,336           |
| Restricted  | <u>-</u>          |
|   | <u>\$ 329,336</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, 2024, 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 audits by tax authorities; 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 43% of the Academy's funding is from this program. Other public support is received from the U.S. Department of Education.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

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

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 the 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 spent for any purpose in performing the primary objectives of the Academy. These net assets may be used at the discretion of the Academy's management and board of directors.

F. Use of Estimates

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

G. Property and Equipment

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

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

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

H. Cash and Cash Equivalents

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

I. Grants Receivable

Grant receivables are recorded 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, 2024.

J. Compensated Absences

Paid time off (PTO) is a benefit awarded to full-time employees which is granted in accordance with the PTO policy. A maximum of five days of PTO can be carried over each year. Teachers and staff earn a maximum of ten sick and/or personal days per year. A maximum of five days of sick leave can be carried over each year. 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.

Due to school operations ending effective June 30, 2024 (Note 13), a total of \$27,572 in compensated absences payable is included in the line item salaries and benefits payable on the Statement of Financial Position.

K. Functional Allocation of Expenses

The costs of providing various programs 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. Advertising

Advertising costs are expensed as incurred. Total advertising expense was \$322 for the year ended June 30, 2024.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

(2) Cash and Interest-Bearing Deposits

At June 30, 2024, the Academy had cash and interest-bearing deposits (book balances) totaling \$329,336. These deposits are recorded at cost which approximates market. Deposit balances (bank balances) at June 30, 2024 totaled \$334,632. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. Total uninsured cash balances of \$82,201 were exposed to custodial credit risk on June 30, 2024.

(3) Grants Receivable

Grant receivables consisted of the following at June 30, 2024:

United States Department of Education:

|           |                   |
|-----------|-------------------|
| Title 1   | \$ 74,252         |
| IDEA-B    | 15,451            |
| ESSER III | <u>93,081</u>     |
|           | <u>\$ 182,784</u> |

Grant receivables are considered to be fully collectible by management, therefore, no allowance for doubtful accounts is recorded at June 30, 2024.

(4) Property and Equipment

A summary of property and equipment is as follows:

|                          |                   |
|--------------------------|-------------------|
| Leasehold improvements   | \$ 392,277        |
| Furniture and fixtures   | 42,816            |
| Machinery and equipment  | 232,139           |
| Accumulated depreciation | <u>(310,638)</u>  |
| Fixed assets, net        | <u>\$ 356,594</u> |

Depreciation expense for the year ended June 30, 2024 was \$40,142.

(5) Operating Leases

The Academy leased four school buses under an operating lease executed in October 2019. The terms of the lease required monthly payments of \$5,933 for three years with the lease expiring in October 2022. On July 1, 2023, the lease was renewed for three years under the same terms and expires on June 30, 2026. Lease payments totaling \$71,200 were recognized as transportation expense during the fiscal year ending June 30, 2024. With the expiration of the Academy's operating charter

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

as fully described in Note 13, the Academy returned the school buses and terminated the lease at June 30, 2024.

The Academy entered into a property lease agreement with the Avoyelles Parish School Board in prior years for the right to use land and property. The original 45-year lease term was extended to 50 years with a monthly payment of \$3,500 in the previous fiscal year. Payments totaling \$42,000 are recognized as rent expense during the fiscal year ending June 30, 2024. With the expiration of the Academy's operating charter as fully described in Note 13, the Board of Directors plans to turn over the school campus and terminate the property lease effective November 2024.

The minimum future rental payments of operating leases through November 2024 are \$17,500.

(6) Deferred Compensation Plan

Employees of the Academy have the choice 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 selected by the employee, up to 3% of compensation. The employee may select a salary reduction up to the largest annual allowable amount allowed by applicable Internal Revenue Code Sections. The Academy's contributions to the plan totaled \$7,651 for the year ending June 30, 2024. All employer and employee contributions and earnings vest immediately.

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

A detail of compensation, benefits, and other payments made to the Director Charles Jones for the year ended June 30, 2024 follows:

| <u>Purpose</u> | <u>Amount</u>     |
|----------------|-------------------|
| Salary         | \$ 80,000         |
| Other pay      | 26,299            |
| Reimbursements | 2,209             |
|                | <u>\$ 108,508</u> |

(8) Commitments and 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 supplying 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, 2024. 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.

RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

(9) Concentrations

The Academy receives a sizable portion of its support from the Minimum Foundation Program (MFP) administered by the Louisiana Department of Education. Management is unaware of any actions that may significantly affect the level of funding to be received in future years. Approximately 43% of total revenues received during the year ended June 30, 2024 were received from the MFP program.

(10) 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                               | \$ 329,336        |
| Grant receivable  | 182,784           |
| Other receivable  | <u>2,720</u>      |
| Financial assets available within one year, at year-end | <u>\$ 514,840</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.

(11) Litigation

At June 30, 2024, RRCA had no pending litigation.

(12) Risk Management

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

(13) Going Concern

The Academy's initial operating charter, as approved by the State Board of Elementary and Secondary Education (BESE), was scheduled to expire on June 30, 2023. In December 2022, BESE granted the Academy a one-year probationary extension on its operating charter to June 30, 2024. In November 2023, BESE notified the Academy that its operating charter will not be renewed nor extended beyond June 30, 2024 due to substandard academic performance. The Academy ceased to operate as a charter school and began the wrap up phase of school operations on July 1, 2024.



RED RIVER CHARTER ACADEMY, INC.

Notes to Financial Statements

As a result of the Board's decision to cease operations of Red River Charter Academy, the Academy will sustain a substantial loss of revenues consisting of Minimum Foundation Program funding as well as state and federal grants. At June 30, 2024, substantial doubt exists about the Academy's ability to continue as a going concern within one year from the date that these financial statements are available to be issued. The Board of Directors is exploring alternative missions for Red River Charter Academy, Inc. that do not involve the operations of a charter school.

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA  
Deidre L. Stock, CPA

*Of Counsel*  
C. Burton Kolder, CPA\*

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA - retired 2022  
Gerald A. Thibodeaux, Jr., CPA\* - retired 2024

\* A Professional Accounting Corporation

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.  
Ville Platte, LA 70586 Baton Rouge, LA 70816  
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Red River Charter Academy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 December 08, 2023.

### Report on Internal Control over Financial Reporting

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

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

Our consideration of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any significant deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency

in internal control, described in the accompanying schedule of current and prior year audit findings and management corrective action plan as item #2024-001 that we consider to be a significant deficiency.

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

As part of obtaining reasonable assurance about whether Red River Charter Academy, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Governmental Auditing Standards* and which we described in the accompanying schedule of current and prior year audit findings and management corrective action plan as item #2024-002.

### **Red River Charter Academy, Inc.'s Repose to Findings**

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

### **Purpose of this Report**

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

***Kolder, Slaven & Company, LLC***

Certified Public Accountants

Alexandria, Louisiana  
November 26, 2024

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, 2024

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

A. Internal Control Over Financial Reporting

2024-001      Unauthorized Compensation

Fiscal year finding initially occurred: 2024

CONDITION: In the course of performing our audit procedures, it was noted that the Executive Director received compensation in addition to his contracted salary for services provided to the Academy. Management could not provide evidence that this additional compensation was authorized and approved by the Board of Directors.

CRITERIA: All employee compensation is negotiated and documented in an employee contract executed between The Academy and the employee at the beginning of each school year. Any additional compensation that is not outlined in the employee contract should be presented to the Academy's Board of Directors for review and approval prior to payment.

CAUSE: Management was unable to provide evidence that additional compensation paid to the Executive Director for services provided to the Academy which were not outlined in the employee contract was authorized and approved by the Board of Directors prior to payment.

EFFECT: Additional employee compensation may be paid without the knowledge and approval of the Board of Directors.

RECOMMENDATION: All employee compensation should be outlined in the employee contracts or contract addendums which are reviewed and approved by the Board of Directors prior to payment.

MANAGEMENT'S CORRECTIVE ACTION: Management is developing policies and procedures related to employee compensation to ensure that all employee compensation is documented and approved by the Board of Directors prior to payment in the future.

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, 2024

B. Compliance and other matters

2024-002      Preservation of Accounting Records

Fiscal year finding initially occurred: 2024

CONDITION: In the course of performing our audit procedures, it was noted that the Academy's management was unable to provide sufficient documentation for selected transactions upon request.

CRITERIA: The provisions of LA R.S. 44:36(A) *Preservation of records*; All persons and public bodies having custody or control of any public record, other than conveyance, probate, mortgage, or other permanent records required by existing law to be kept for all time, shall exercise diligence and care in preserving the public record for the period or periods of time specified by law for public records.

CAUSE: The Academy's management failed to retain proper supporting documentation for transactions selected for testing during the audit for the year ending June 30, 2024.

EFFECT: Failure to maintain proper supporting documentation for transactions may be a violation of LA R.S. 44:36(A) *Preservation of records*. The lack of proper supporting documentation for a transaction makes it difficult to determine if the transaction is appropriate, reasonable, and necessary for the operation of the Academy.

RECOMMENDATION: Policies and procedures should be developed and implemented to ensure that proper documentation is maintained to support all transactions of the Academy.

MANAGEMENT'S CORRECTIVE ACTION: Management is developing policies and procedures related to record retention to ensure that all transactions executed by the Academy are properly supported in the future.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance and other matters

None reported.

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

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA  
Deidre L. Stock, CPA

*Of Counsel*

C. Burton Kolder, CPA\*

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA - retired 2022  
Gerald A. Thibodeaux, Jr., CPA\* - retired 2024

\* A Professional Accounting Corporation

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.  
Ville Platte, LA 70586 Baton Rouge, LA 70816  
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

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

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

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Red River Charter Academy, Inc., (Academy) for the fiscal year ended June 30, 2024, and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514. The management of the Red River Charter Academy, Inc. is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

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

Two exceptions were noted because management did not provide proper supporting documentation for the transaction selected for testing.



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

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

There were no exceptions noted.

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

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

Six exceptions were noted when the experience recorded in the employee's personnel file did not match the experience reported in PEP data.

### **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.

We could not perform this procedure because management was unable to provide us with the June 30th PEP data.

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

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

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

Alexandria, Louisiana  
November 26, 2024

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, 2024

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

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

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

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

Red River Charter Academy, Inc.  
Mansura, Louisiana  
Schedule 1

General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2024

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities -

|  |            |              |
|--|------------|--------------|
| Classroom Teacher Salaries                       | \$ 395,020 |              |
| Other Instructional Staff Activities             | 188,765    |              |
| Instructional Staff Employee Benefits            | 158,288    |              |
| Purchased Professional and Technical Services    | 155,271    |              |
| Instructional Materials and Supplies             | 149,430    |              |
| Instructional Equipment                          | -          |              |
| Total Teacher and Student Interaction Activities |            | \$ 1,046,774 |

Other Instructional Activities 3,349

|  |       |       |
|--|-------|-------|
| Pupil Support Services                     | 5,878 |       |
| Less: Equipment for Pupil Support Services | -     |       |
| Net Pupil Support Services                 |       | 5,878 |

|  |       |       |
|--|-------|-------|
| Instructional Staff Services                     | 5,218 |       |
| Less: Equipment for Instructional Staff Services | -     |       |
| Net Instructional Staff Services                 |       | 5,218 |

|   |         |         |
|---|---------|---------|
| School Administration                     | 390,890 |         |
| Less: Equipment for School Administration | -       |         |
| Net School Administration                 |         | 390,890 |

Total General Fund Instructional Expenditures (Total of Column B) **\$ 1,452,109**

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

**Certain Local Revenue Sources**

Local Taxation Revenue:

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

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property \$ -

State revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

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

Class Size Characteristics  
As of October 1, 2023

| 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%               | -      | 0%      | -      | 0%      | -      | 0%      | -      |
| Middle/Jr. High Activity Classes | 0%               | -      | 0%      | -      | 0%      | -      | 0%      | -      |
| High                             | 0%               | -      | 0%      | -      | 0%      | -      | 0%      | -      |
| High Activity Classes            | 0%               | -      | 0%      | -      | 0%      | -      | 0%      | -      |
| Combination                      | 99%              | 114    | 0%      | -      | 1%      | 1      | 0%      | -      |
| Combination Activity Classes     | 100%             | 22     | 0%      | -      | 0%      | -      | 0%      | -      |

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

**Red River Charter Academy, Inc.**  
Mansura, Louisiana

Statewide Agreed-Upon Procedures Report

Fiscal Period July 1, 2023 through June 30, 2024

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA  
Deidre L. Stock, CPA

*Of Counsel*  
C. Burton Kolder, CPA\*

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA - retired 2022  
Gerald A. Thibodeaux, Jr., CPA\* - retired 2024

\* A Professional Accounting Corporation

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.  
Ville Platte, LA 70586 Baton Rouge, LA 70816  
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KCSRCPAS.COM

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

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. Red River Charter Academy, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Red River Charter Academy, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) *Written Policies and Procedures*

- A. Obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii) **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.

- iii) **Disbursements**, including processing, reviewing, and approving.
- iv) **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).
- v) **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.
- vi) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii) **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).
- ix) **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.
- x) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi) **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.
- xii) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

## 2) **Board or Finance Committee**

---

- A. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- ii) For those entities reporting on the governmental accounting model, observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii) For governmental entities, obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.
- iv) Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

### **3) Bank Reconciliations**

---

- A. Obtained a listing of entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:
  - i) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).
  - ii) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged).
  - iii) 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.

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

---

- A. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).



- B. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
- i) Employees that are responsible for cash collections do not share cash drawers/registers.
  - ii) 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.
  - iii) 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.
  - iv) 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.
- C. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash and observed the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
- i) Observed that receipts are sequentially pre-numbered.
  - ii) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii) Traced the deposit slip total to the actual deposit per the bank statement.
  - iv) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v) Traced the actual deposit per the bank statement to the general ledger.

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

---

- A. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).

- B. For each location selected under #5A above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
- i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - ii) At least two employees are involved in processing and approving payments to vendors.
  - iii) 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.
  - iv) 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.
  - v) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
- i) Observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - ii) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved only by those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month/or account for testing that does include electronic disbursements.

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

---

- A. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.

- B. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
- i) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - ii) Observed that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

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

---

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

## 8) *Contracts*

---

- A. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- i) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - ii) Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - iii) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, that approval was documented).
  - iv) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed the invoice and related payment agreed to the terms and conditions of the contract.

## 9) *Payroll and Personnel*

---

- A. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtained attendance records and leave documentation for the pay period, and:
- i) Observed all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - ii) Observed whether supervisors approved the attendance and leave of the selected employees or officials.
  - iii) Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - iv) Observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee's or official's cumulative leave

records, agreed the pay rates to the employee or official's authorized pay rates in the employee's or official's personnel files, and agreed the termination payment to entity policy.

- D. Obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

### ***10) Ethics***

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtained ethics documentation from management, and:
  - i) Observed documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
  - ii) Observed whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

### ***11) Debt Service***

---

- A. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### ***12) Fraud Notice***

---

- A. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observed the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

---

A. Performed the following procedures and **discussed the results with management**:

- i) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/ verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- iii) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

B. Randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observed evidence that the selected terminated employees have been removed or disabled from the network.

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

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained cybersecurity training documentation from management, and observed that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired on or before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

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

### ***14) Prevention of Sexual Harassment***

---

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observed 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).

- C. Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that the report includes the applicable requirements of R.S. 42:344:
- i) Number and percentage of public servants in the agency who have completed the training requirements.
  - ii) Number of sexual harassment complaints received by the agency.
  - iii) Number of complaints which resulted in a finding that sexual harassment occurred.
  - iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective actions.
  - v) The amount of time it took to resolve each complaint.

### **Findings:**

---

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

#### **Collections (excluding electronic funds transfer):**

One of the six deposits selected for testing was not deposited into the bank within one business day of receipt at the collection location.

#### **Credit/Debit/Fuel/Purchasing Cards:**

The statement selected for testing did not contain evidence that the statement was reviewed and approved by someone other than the authorized card holder.

#### **Travel and Travel Related Expense Reimbursements:**

One of the five transactions selected for testing did not include an original itemized receipt that identified precisely what was purchased.

### **Management's Response:**

---

The Red River Charter Academy, Inc.'s management concurs with the exceptions and is working to address the deficiencies identified.

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

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

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

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

Alexandria, Louisiana  
November 26, 2024