

REDESIGN SCHOOLS
LOUISIANA
Baton Rouge, 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	9-17
SUPPLEMENTAL SCHEDULES	
Combining statement of financial position	19
Combining statement of activities	20
Combining statement of functional expenses - program services	21
Combining statement of functional expenses - supporting services	22
Schedule of Compensation, Benefits and Other Payments to Agency Head	23
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>	25-26
Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	27-29
Schedule of expenditures of federal awards	30
Notes to schedule of expenditures of federal awards	31
Schedule of findings and questioned costs	32-34

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INDEPENDENT AUDITOR'S REPORT

Dr. Megan McNamara, Superintendent
and Members of the Board of Directors
Redesign Schools Louisiana
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Redesign Schools Louisiana (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 Redesign Schools Louisiana 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 Redesign Schools Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Redesign Schools Louisiana'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 Redesign Schools Louisiana'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, which raise substantial doubt about Redesign Schools Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements of financial position, activities, and functional expenses, the schedule of compensation, benefits and other payments to agency head and the accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

combining statements of financial position, activities, and functional expense, the schedule of compensation, benefits and other payments to agency head and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of Redesign Schools of Louisiana'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 this 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 Redesign Schools Louisiana'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 Redesign Schools of Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
February 28, 2025

FINANCIAL STATEMENTS

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana
Statement of Financial Position
June 30, 2024

ASSETS

Current assets:	
Cash and cash equivalents	\$ 4,947,741
Other receivables	1,338,343
Prepaid expense	<u>213,705</u>
Total current assets	<u>6,499,789</u>
Noncurrent assets:	
Right of Use Asset - Equipment, net	<u>9,307</u>
Total assets	<u>\$ 6,509,096</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 465,317
Accrued expenses	280,628
Lease payable - current portion	<u>9,870</u>
Total current liabilities	<u>755,815</u>
Net assets:	
Without donor restrictions	5,597,931
With donor restrictions	<u>155,350</u>
Total net assets	<u>5,753,281</u>
Total liabilities and net assets	<u>\$ 6,509,096</u>

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

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana

Statement of Activities
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Changes in net assets			
Revenues, gains and other support:			
State MFP revenues	\$ 5,205,216	\$ 150,154	\$ 5,355,370
Federal grants	5,991,162	1,388	5,992,550
State grants	155,743	-	155,743
Miscellaneous revenue	21,250	-	21,250
Total	<u>11,373,371</u>	<u>151,542</u>	<u>11,524,913</u>
Expenses and losses:			
Program services	7,656,851	-	7,656,851
Supporting services - Administrative expenses	<u>2,740,216</u>	<u>-</u>	<u>2,740,216</u>
Total	<u>10,397,067</u>	<u>-</u>	<u>10,397,067</u>
Change in net assets	976,304	151,542	1,127,846
Net assets, beginning of year, as restated	<u>4,621,627</u>	<u>3,808</u>	<u>4,625,435</u>
Net assets, end of year	<u>\$ 5,597,931</u>	<u>\$ 155,350</u>	<u>\$ 5,753,281</u>

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

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana

Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services	Supporting Services	Total
Expenses:			
Salaries	\$ 3,872,655	\$ 1,145,130	\$ 5,017,785
Payroll taxes	279,877	107,625	387,502
Employee group insurance	448,333	461	448,794
Retirement fund contribution	46,122	-	46,122
Other employee benefits	30,641	-	30,641
Food service management	389,388	-	389,388
Transportation	691,064	-	691,064
Other professional services	1,194,396	851,519	2,045,915
Amortization of right to use assets	-	41,854	41,854
Utilities	225,941	-	225,941
Telephone and postage	-	77,545	77,545
Dues and fees	-	104,973	104,973
Insurance	-	157,460	157,460
Repairs and maintenance	165,447	-	165,447
Audit / accounting services	-	48,500	48,500
Purchased services	77,125	113,098	190,223
Materials and supplies	207,495	91,123	298,618
Books and periodicals	26,404	-	26,404
Miscellaneous expense	1,963	928	2,891
 Totals	 \$ 7,656,851	 \$ 2,740,216	 \$10,397,067

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

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana

Statement of Cash Flows
For the Year Ended June 30, 2024

Cash flows from operating activities:	
Change in net assets without donor restrictions	\$ 1,127,846
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities -	
Amortization of right to use asset	41,854
Decrease (increase) in operating assets	
Other accounts receivable	2,340,313
Prepaid expenses	(24,425)
Increase in operating liabilities	
Accounts payable	36,761
Accrued expenses	54,822
Decrease in deferred revenues	<u>(7,808)</u>
Net cash provided by operating activities	<u>3,569,363</u>
Cash flows from financing activities:	
Payments on lease payable	<u>(41,291)</u>
Net change in cash and cash equivalents	3,528,072
Cash and cash equivalents, beginning of year	
Unrestricted	<u>1,419,669</u>
Cash and cash equivalents, end of year:	
Unrestricted	<u>\$ 4,947,741</u>
Supplemental disclosure:	
Interest paid	<u>\$ 1,202</u>

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

REDESIGN SCHOOLS LOUISIANA

Notes to Financial Statements

(1) Nature of Activities and Significant Accounting Policies

A. Nature of Organization and Operations

Redesign Schools Louisiana (RSL) is a non-profit public benefit corporation organized under the laws of the State of Louisiana under its original name of Celerity Schools Louisiana. The Celerity Schools Louisiana underwent a name change during the fiscal year ending June 30, 2020 to Redesign Schools Louisiana. RSL was granted a charter by the State Board of Elementary and Secondary Education (BESE) in 2014 to provide schools where at-risk students can thrive in an atmosphere of high expectations with an engaging curriculum and challenging learning activities. RSL operated three charter schools in Baton Rouge, Louisiana during the current fiscal year at Lanier Elementary, Dalton Elementary, and Glen Oaks Middle.

B. Financial Statement Presentation

RSL 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.

C. Public Support and Revenue

RSL receives its grant support primarily from the Louisiana State Department of Education Minimum Foundation program. Approximately 47% of RSL's funding was received from this program. Other public support is received from the U.S. Department of Education.

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

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

REDESIGN SCHOOLS LOUISIANA

Notes to Financial Statements

D. Net Assets

The net assets of RSL 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 RSL 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 RSL. These net assets may be used at the discretion of RSL’s management and board of directors.

E. Cash and Cash Equivalents

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

F. Receivables

Grants and other receivables are stated at the amount management expects to collect in the future. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current collectability of individual account balances. Account balances that are still outstanding after management has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable balance.

G. Fixed Assets

Fixed assets are recorded at historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. It is RSL’s policy to capitalize fixed assets valued at \$5,000 or more. Fixed assets are being depreciated over their estimated useful lives using the straight-line method. The range of estimated useful lives is as follows:

Buildings and improvements	20-40 years
Furniture and fixtures	5-10 years
Machinery and equipment	3-7 years

The carrying value of fixed assets is reviewed by management whenever events or circumstances indicate that the carrying value may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When a fixed asset is considered to be impaired by management, an impairment loss is recognized to the extent that the carrying value of the fixed asset

REDESIGN SCHOOLS LOUISIANA

Notes to Financial Statements

exceeds its fair value. Management has noted no indications that RSL's fixed assets are impaired during the year ended June 30, 2024.

H. Compensated Absences

Employees of RSL do not earn paid vacation time but receive two days of personal unpaid leave per year. Full-time RSL employees are awarded sick leave at a rate of two hours per pay period up to a maximum of forty-eight hours earned during the year. Unused sick leave hours may be carried over to next year but are not earned during an unpaid leave of absence. At the time of retirement, death or termination, no monies are owed or paid to an employee for accumulated sick leave. Therefore, no compensated absences liability is recorded at June 30, 2024.

I. Leases

RSL's management applies judgement when determining whether a contract contains a lease and whether a lease is classified as operating or financing. RSL defines the lease term as the non-cancellable term which may include options to extend and/or terminate when it is reasonably certain management will exercise these options. The lease term is used in determining classification between operating and financing leases, calculating the lease liability, and determining the incremental borrowing rate. Management also applies judgement in allocating the consideration in a contract between the lease and non-lease components and determining the RSL's incremental borrowing rate used to discount lease payments. Judgement is also used to determine the incremental borrowing rate of each lease by estimating the credit rating of RSL at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

J. 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.

K. Revenue Recognition

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

L. Fair Value Financial Instruments

The carrying value of cash, receivables, prepaid expenses, accounts payable, and accrued expenses approximates fair value due to the short-term maturity of these instruments. None of the financial instruments are held for trading purposes.

REDESIGN SCHOOLS LOUISIANA

Notes to Financial Statements

M. Income Taxes

RSL 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. RSL 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 management and recognize a tax liability (or asset) if management 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 RSL and 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. RSL is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

N. 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.

(2) Cash and Interest-Bearing Deposits

At June 30, 2024, RSL had cash and interest-bearing deposits (book balances) totaling \$4,947,741. These deposits were stated at cost, which approximates market. Deposit balances (bank balances) at June 30, 2024 totaled \$4,947,741. The accounts were insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 at each financial institution. Total uninsured cash balances at June 30, 2024 of \$4,697,741 were exposed to custodial credit risk.

(3) Other Receivables

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

United States Department of Education:	
ESSER	\$ 918,613
Title I	345,215
United States Department of Agriculture	
School Food Service	47,731
Other	<u>26,784</u>
	<u>\$ 1,338,343</u>

REDESIGN SCHOOLS LOUISIANA

Notes to Financial Statements

Grant receivables were considered to be fully collectible by management. Accordingly, no allowance for doubtful accounts was required at June 30, 2024

(4) Prepaid Expense

Prepaid expenses consisted of the following at June 30, 2024:

Insurance	\$ 67,290
Consultants	72,000
Staff training	36,600
Software subscriptions	14,495
Student consumables	23,320
	\$213,705

(5) Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2024 are restricted for the following purposes:

	Beginning Balance <u>2023</u>	Subject to Specific <u>Purpose</u>	Specific Pupose <u>Satisfied</u>	Ending Balance <u>2024</u>
Instructional salaries and benefits (MFP)	\$ -	\$ 150,154	\$ -	\$ 150,154
Federal grants				
Capital expenses	3,808	388	-	4,196
Operating expenses	-	1,000	-	1,000
	\$ 3,808	\$ 151,542	\$ -	\$ 155,350

(6) Defined Contribution Retirement Plan

RSL sponsors a defined contribution 403(b) plan (the Plan) for its employees that was originally adopted in January 2015. Effective August 1, 2021, the Plan covers all employees with RSL matching one hundred percent of the employee’s first three to five percent of contributions. The employer’s match is determined based on the employee’s length of service to RSL as well as the employee’s classification as a certificated or classified employee. RSL paid matching contributions of \$46,122 to the Plan which is included as program services expense in the statement of activities.

REDESIGN SCHOOLS LOUISIANA

Notes to Financial Statements

(7) Lease Commitments

Lease agreements are summarized below:

In October 2021 RSL entered into two lease agreements with a third-party for the use of equipment located at its Dalton Elementary and Lanier Elementary campuses, respectively, which are located in Baton Rouge, Louisiana. The original leases were for a three-year term beginning November 2021 through October 2024.

Adoption of ASU No. 2016-02, *Leases* (Topic 842)

RSL's management elected to adopt ASC No. 2016-02 *Leases* (Topic 842) effective July 1, 2022. The new lease standard established a right-of-use (ROU) model which requires the lessee to record a ROU asset and a corresponding lease liability on the balance sheet for all leases with a term longer than twelve months. Leases are classified as either finance or operating, with the classification affecting the pattern of expense recognition over the life of the lease. Leases with a term of less than twelve months are excluded from the requirements of Topic 842.

When adopting Topic 842, RSL management elected to use the optional transition method to initially apply the new lease standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. Management also elected to adopt the package of practical expedients available under the transition guidance as follows.

- Relief from determination of lease contracts included in existing or expiring leases at the time of adoption.
- Relief from having to reevaluate the classification of leases in effect at the time of adoption.
- Relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract.
- Use of hindsight to determine the lease term and assess the impairment of the right-of-use assets.

Additional information about RSL's leases for the year ending June 30, 2024 is as follows.

Operating lease cost	<u>\$ 30,000</u>
Cash paid for amounts in lease liabilities	\$ 30,000
Operating cash flows from operating leases	\$ 30,000

REDESIGN SCHOOLS LOUISIANA

Notes to Financial Statements

Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 83,762
Weighted-average remaining lease term- operating leases	.33 years
Weighted-average discount rate- operating leases	5.00%

The maturities of lease liabilities as of June 30, 2024 are as follows:

Year Ending June 30,	Principal payments	Interest payments	Totals
2025	\$ 9,870	\$ 96	\$ 9,966

Amortization of right to use assets for the year ending June 30, 2024 was \$41,854.

(8) Compensation Paid to Members of the Board of Directors

Members of the Board of Directors of Redesign Schools Louisiana serve without compensation. Reasonable expenses incurred by Board Members while conducting business on behalf of Redesign Schools Louisiana are reimbursed upon receipt of appropriate supporting documentation.

(9) Advertising

Advertising costs were expensed as incurred. Total advertising expense for the year ended June 30, 2024 was \$24,975.

(10) Contingencies

Financial awards 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, 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.

REDESIGN SCHOOLS LOUISIANA

Notes to Financial Statements

(11) Liquidity and Availability of Resources

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

Cash and cash equivalents	\$ 4,947,741
Other receivables	1,338,343
Prepaid expense	<u>213,705</u>
Total current assets	<u><u>\$ 6,499,789</u></u>

As part of RSL's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(12) Prior Period Restatements - Correction of Errors

During the year ending June 30, 2024, management determined that various account balances recorded as prepaid expenses, deferred revenues and net assets with donor restrictions were misstated in the prior year. Management determined that prepaid expenses were overstated by \$19,386, deferred revenues were understated by \$7,808, and net assets with donor restrictions were overstated by \$2,316,558, resulting in total net assets being overstated by \$27,194 at June 30, 2023.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
June 30, 2023, as reported	\$ 2,332,263	\$ 2,320,366	\$4,652,629
Adjustments:			
Prepaid expenses	(19,386)	-	(19,386)
Deferred revenues	(7,808)	-	(7,808)
Restricted assets	<u>2,316,558</u>	<u>(2,316,558)</u>	<u>-</u>
July 1, 2023, as restated	<u>\$ 4,621,627</u>	<u>\$ 3,808</u>	<u>\$4,625,435</u>

REDESIGN SCHOOLS LOUISIANA

Notes to Financial Statements

The effects of the adjustments to beginning net assets, as reported in the combining financial statements at June 30, 2023, were as follows.

	Lanier Elementary School	Dalton Elementary School	Glen Oaks Middle School	Totals
June 30, 2023, as reported	\$ 1,930,873	\$1,948,458	\$ 773,298	\$4,652,629
Adjustments:				
Prepaid expenses	(8,643)	(8,782)	(1,961)	(19,386)
Deferred revenues	<u>(2,604)</u>	<u>(2,602)</u>	<u>(2,602)</u>	<u>(7,808)</u>
July 1, 2023, as restated	<u>\$ 1,919,626</u>	<u>\$1,937,074</u>	<u>\$ 768,735</u>	<u>\$4,625,435</u>

(13) Litigation

There was no litigation pending against Redesign Schools Louisiana as of June 30, 2024.

(14) Evaluation of Subsequent Events

The management of RSL has evaluated subsequent events through February 28, 2025, the date these financial statements were available for release.

SUPPLEMENTAL SCHEDULES

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana

Combining Statement of Financial Position
June 30, 2024

	Lanier Elementary School	Dalton Elementary School	Glen Oaks Middle School	Total (Memorandum Only)
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,401,531	\$ 2,253,404	\$ 292,806	\$ 4,947,741
Other receivables	231,669	360,277	746,397	1,338,343
Prepaid expense	<u>118,423</u>	<u>95,282</u>	<u>-</u>	<u>213,705</u>
Total current assets	<u>2,751,623</u>	<u>2,708,963</u>	<u>1,039,203</u>	<u>6,499,789</u>
Noncurrent assets:				
Right of Use Asset - Equipment, net	<u>3,111</u>	<u>3,098</u>	<u>3,098</u>	<u>9,307</u>
Total assets	<u>\$ 2,754,734</u>	<u>\$ 2,712,061</u>	<u>\$ 1,042,301</u>	<u>\$ 6,509,096</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 152,487	\$ 235,301	\$ 77,529	\$ 465,317
Accrued expenses	117,778	113,530	49,320	280,628
Lease payable - current portion	<u>3,296</u>	<u>3,287</u>	<u>3,287</u>	<u>9,870</u>
Total current liabilities	<u>273,561</u>	<u>352,118</u>	<u>130,136</u>	<u>755,815</u>
Net assets:				
Without donor restrictions	2,393,155	2,292,611	912,165	5,597,931
With donor restrictions	<u>88,018</u>	<u>67,332</u>	<u>-</u>	<u>155,350</u>
Total net assets	<u>2,481,173</u>	<u>2,359,943</u>	<u>912,165</u>	<u>5,753,281</u>
Total liabilities and net assets	<u>\$ 2,754,734</u>	<u>\$ 2,712,061</u>	<u>\$ 1,042,301</u>	<u>\$ 6,509,096</u>

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana

Combining Statement of Activities
For the Year Ended June 30, 2024

	<u>Lanier Elementary School</u>	<u>Dalton Elementary School</u>	<u>Glen Oaks Middle School</u>	<u>Total (Memorandum Only)</u>
Changes in net assets				
Revenues, gains and other support:				
State MFP revenues	\$ 2,288,019	\$ 2,144,601	\$ 922,750	\$ 5,355,370
Federal grants	2,181,732	2,113,551	1,697,267	5,992,550
State grants	134,710	9,667	11,366	155,743
Miscellaneous revenue	<u>-</u>	<u>20,250</u>	<u>1,000</u>	<u>21,250</u>
Total	<u>4,604,461</u>	<u>4,288,069</u>	<u>2,632,383</u>	<u>11,524,913</u>
Expenses and losses:				
Program services	3,084,308	2,920,890	1,651,653	7,656,851
Supporting services - Administrative expenses	<u>958,606</u>	<u>944,310</u>	<u>837,300</u>	<u>2,740,216</u>
Total	<u>4,042,914</u>	<u>3,865,200</u>	<u>2,488,953</u>	<u>10,397,067</u>
Change in net assets	561,547	422,869	143,430	1,127,846
Net assets, beginning of year, as restated	<u>1,919,626</u>	<u>1,937,074</u>	<u>768,735</u>	<u>4,625,435</u>
Net assets, end of year	<u>\$ 2,481,173</u>	<u>\$ 2,359,943</u>	<u>\$ 912,165</u>	<u>\$ 5,753,281</u>

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana

Combining Statement of Functional Expenses
For the Year Ended June 30, 2024

	Lanier Elementary School	Dalton Elementary School	Glen Oaks Middle School	Total (Memorandum Only)
Program Services Expenses:				
Salaries	\$ 1,689,789	\$ 1,422,519	\$ 760,347	\$ 3,872,655
Payroll taxes	121,934	104,429	53,514	279,877
Employee group insurance	175,107	193,501	79,725	448,333
Retirement fund contribution	18,304	17,063	10,755	46,122
Other employee benefits	10,859	10,094	9,688	30,641
Food service management	166,586	157,924	64,878	389,388
Transportation	274,719	270,029	146,316	691,064
Other professional services	383,507	507,432	303,457	1,194,396
Utilities	94,711	69,911	61,319	225,941
Repairs and maintenance	60,759	73,984	30,704	165,447
Purchased services	29,531	27,349	20,245	77,125
Materials and supplies	49,693	60,877	96,925	207,495
Books and periodicals	7,466	5,433	13,505	26,404
Miscellaneous expense	1,343	345	275	1,963
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 3,084,308</u>	<u>\$ 2,920,890</u>	<u>\$ 1,651,653</u>	<u>\$ 7,656,851</u>

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana

Combining Statement of Functional Expenses
For the Year Ended June 30, 2024

	Lanier Elementary School	Dalton Elementary School	Glen Oaks Middle School	Total (Memorandum Only)
Supporting Services Expenses:				
Salaries	\$ 373,041	\$ 376,614	\$ 395,475	\$ 1,145,130
Payroll taxes	38,164	34,964	34,497	107,625
Employee group insurance	238	223	-	461
Other professional services	312,240	308,439	230,840	851,519
Amortization of right to use assets	13,951	13,951	13,951	41,853
Telephone and postage	22,403	23,585	31,557	77,545
Dues and fees	43,723	42,464	18,786	104,973
Insurance	63,843	54,040	39,577	157,460
Audit / accounting services	18,430	17,945	12,125	48,500
Purchased services	48,854	54,997	51,101	154,952
Materials and supplies	23,351	16,796	9,123	49,270
Miscellaneous expense	368	292	268	928
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 958,606</u>	<u>\$ 944,310</u>	<u>\$ 837,300</u>	<u>\$ 2,740,216</u>

REDESIGN SHCOOLS LOUISIANA
Baton Rouge, Louisiana

Schedule of Compensation, Benefits and
Other Payments to Agency Head

June 30, 2024

Agency Head: Dr. Megan McNamara, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,000
Benefits - social security / medicare	12,531
Benefits - insurance	6,449
Benefits - retirement	8,582
Car allowance	<u>6,000</u>
	<u>\$ 208,562</u>

**INTERNAL CONTROL
COMPLIANCE
AND
OTHER MATTERS**

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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*

Dr. Megan McNamara, Superintendent,
and Members of the Board of Directors
Redesign Schools Louisiana
Baton Rouge, 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 Redesign Schools Louisiana (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 February 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Redesign Schools Louisiana'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 the Redesign Schools of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Redesign Schools of Louisiana'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Redesign Schools Louisiana’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 the 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 *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

Redesign Schools Louisiana’s Response to Findings

Governmental Auditing Standards require the auditor to perform limited procedures on Redesign Schools of Louisiana’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Redesign Schools of Louisiana’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
February 28, 2025

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Dr. Megan McNamara, Superintendent,
and Members of the Board of Directors
Redesign Schools Louisiana
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Redesign Schools Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Redesign Schools Louisiana's major federal programs for the year ended June 30, 2024. Redesign Schools Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Redesign Schools Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Redesign Schools Louisiana and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Redesign Schools Louisiana's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Redesign Schools Louisiana's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Redesign Schools Louisiana's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Redesign Schools of Louisiana's compliance with the requirements of the major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type

of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. 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
February 28, 2025

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Identifying Number	Federal Expenditures	Amounts Passed Through to Subrecipients
<u>United States Department of Agriculture-</u>				
<u>Child Nutrition Cluster</u>				
Passed through Louisiana Department of Education				
National School Lunch Program	10.555	N/A	\$ 478,948	\$ -
Total United States Department of Agriculture			<u>478,948</u>	<u>-</u>
<u>United States Department of Education-</u>				
<u>Special Education Cluster (IDEA)</u>				
Passed through Louisiana Department of Education				
Special Education Grants to States	84.027A	H027A230033	\$ 122,388	
Special Education Preschool Grants	84.173A	H173A230082	<u>8,061</u>	
Total Special Education Cluster (IDEA)			130,449	-
Title I Grants to Local Educational Agencies	84.010A	S010A230018	943,718	
Title I Grants to Local Educational Agencies	84.010A	S010A230018	<u>9,600</u>	
Total Title I Grants to Local Educational Agencies #84.010A			953,318	-
Title II Supporting Effective Instruction	84.367	S367A230017	47,622	-
Comprehensive Literacy State Development K-5	84.371C	S371C200018	325,000	
Comprehensive Literacy State Development 6-8	84.371C	S371C200018	<u>89,285</u>	
Total for Assistance Listing Number #84.371C			414,285	-
Title IV Student Support and Academic Enrichment	84.424A		82,603	-
Education Stabilization Fund - COVID-19	84.425D	S42D21003	2,326	
Education Stabilization Fund - COVID-19	84.425D	S42D21003	71,950	
Education Stabilization Fund - COVID-19	84.425E	S42D21003	2,718,535	
Education Stabilization Fund - COVID-19	84.425E	S42D21003	611,985	
Education Stabilization Fund - COVID-19	84.425E	S42D21003	<u>437,030</u>	
Total for Assistance Listing Number #84.425			3,841,826	-
Total United States Department of Education			<u>5,470,103</u>	<u>-</u>
<u>United States Department of Health and Human Services</u>				
Passed through Louisiana Department of Health				
LDH Safer Smarter Schools	93.323	6 NU5OCK000532-02-07	43,500	-
			<u>43,500</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$5,992,551</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

(1) General

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Redesign Schools Louisiana under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Redesign Schools Louisiana, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Redesign Schools of Louisiana.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to Redesign Schools Louisiana’s basic financial statements for the year ended June 30, 2024. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

Redesign Schools Louisiana has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

REDESIGN SCHOOLS LOUISIANA
 Baton Rouge, Louisiana
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2024

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting

Material weakness(es) identified? _____yes x no

Significant deficiencies identified? _____yes x none reported

Noncompliance material to financial statements noted? x yes _____no

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs

Material weakness(es) identified? _____yes x no

Significant deficiencies identified? _____yes x none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____yes x no

Major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch Program
84.010A	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? x Yes _____No

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Internal Control Findings

There are no findings to be reported under this section.

B. Compliance Findings

2024-001 Late Filing of Financial Statement Audit

CONDITION: Redesign Schools Louisiana (RSL) did not comply with L.A. R.S. 24:513, *Powers and duties of legislative auditor*, by not submitting its audited financial statements to the Louisiana Legislative Auditor's Office within six months of the close of its fiscal year.

CRITERIA: The audited financial statement filing requirements of LA R.S. 24:513, *Power and duties of legislative auditor*.

CAUSE: Due to unforeseen circumstances, RSL's predecessor auditor was unable to complete the current year financial statement audit and resigned from the engagement in October 2024. The untimely resignation of the predecessor auditor created a compressed timeframe for management to engage a new audit firm, complete the audit engagement and submit the audited financial statements by the filing deadline required by LA R.S. 24:513, *Power and duties of legislative auditor*.

EFFECT: RSL was unable to comply with the audited financial statement submission deadline as stipulated by LA R.S. 24:513, *Power and duties of legislative auditor*.

RECOMMENDATION: Management should continue to engage an independent auditor prior to RSL's fiscal year end to ensure that audited financial statements are submitted as required by LA R.S. 24:513, *Power and duties of legislative auditor*.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management will continue to follow its standard operating procedures by engaging an independent auditor prior to the end of its fiscal year and working with its financial services provider to ensure audited financial statements are submitted as required by LA R.S. 24:513, *Power and duties of legislative auditor*.

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, Louisiana
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

A. Internal Control Findings –

There are no findings to be reported under this section.

B. Compliance Findings –

There are no findings to be reported under this section.

**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 Redesign Schools Louisiana
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 Redesign Schools Louisiana 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 the Louisiana Revised Statute 24:514. The management of Redesign Schools Louisiana is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

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

There were no exceptions noted.

Class Size Characteristics (Schedule 2)

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

There were no exceptions noted.

Levels of Public-School 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.

We noted exceptions in that three individuals' education level and nine individuals' experience level reported to the Department of Education did not agree to the employee's personnel file.

Public Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained 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 noted exceptions in that two individuals' salary reported to the Department of Education did not agree to the individual's personnel file.

We were engaged by the Redesign Schools Louisiana 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 Redesign Schools Louisiana. 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 Redesign Schools Louisiana, 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
February 28, 2025

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, 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.

REDESIGN SCHOOLS LOUISIANA
Baton Rouge, 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	\$ 987,548	
Other Instructional Staff Activities	75,396	
Instructional Staff Employee Benefits	412,360	
Purchased Professional and Technical Services	35,268	
Instructional Materials and Supplies	149,466	
Instructional Equipment	<u>-</u>	
Total Teacher and Student Interaction Activities		\$ 1,660,038

Other Instructional Activities:

Pupil Support Services	334,513	
Less: Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		334,513
Instructional Staff Services	629,079	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		629,079
School Administration	1,247,334	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>1,247,334</u>

Total General Fund Instructional Expenditures (Total of Column B) \$ 3,875,223

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	<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 \$ -

Nonpublic Transportation Revenue \$ -

REDESIGN SCHOOLS LOUISIANA

Baton Rouge, 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	62%	78	38%	48	0%	-	0%	-
Elementary Activity Classes	55%	11	45%	9	0%	-	0%	-
Middle/Jr. High	75%	21	25%	7	0%	-	0%	-
Middle/Jr. High Activity Classes	75%	3	25%	1	0%	-	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.