



Redesign Schools Louisiana

Finance Committee Meeting

Date and Time

Wednesday November 6, 2024 at 12:00 PM CST

Location

Dalton Elementary School

Streamed live at:

[Redesign Schools Louisiana - YouTube](#)

<https://www.youtube.com/@RedesignSchoolsLouisiana>

Agenda

	Purpose	Presenter	Time
I. Opening Items			12:00 PM
A. Call the Meeting to Order		Justin Chatelain	
B. Record Attendance		Justin Chatelain	
II. Item Scheduled for Receipt of Information			12:00 PM
A. Unaudited financials through September 30, 2024	Discuss	Dan Cembrola	50 m
B. Audit Information	FYI	Megan McNamara	10 m

	Purpose	Presenter	Time
III. Closing Items			1:00 PM
A. Next Redesign Schools Louisiana Regular Board Meeting: Saturday, November 16 2024 at 10:00 AM at Dalton Elementary School	FYI	Justin Chatelain	
B. Adjourn Meeting	FYI	Justin Chatelain	

NOTICE: REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY

Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting of the Governing Board may request assistance by contacting:

Redesign Schools Louisiana
 4705 Lanier Dr.
 Baton Rouge, LA
 Phone: 225-910-3891

FOR MORE INFORMATION

For more information concerning this agenda, please contact Redesign Schools Louisiana using the information above.

Coversheet

Unaudited financials through September 30, 2024

Section: II. Item Scheduled for Receipt of Information
Item: A. Unaudited financials through September 30, 2024
Purpose: Discuss
Submitted by:
Related Material: RSL - Summary Presentation - September 2024.pptx
RSL - Supplemental Report - September 2024.xlsx



September 2024 Financials

PREPARED **NOV'24** BY



- **Executive Summary**
- **Key Performance Indicators**
- **Redesign Financial Reports – Lanier**
- **Redesign Financial Reports - Dalton**
- **Appendix**

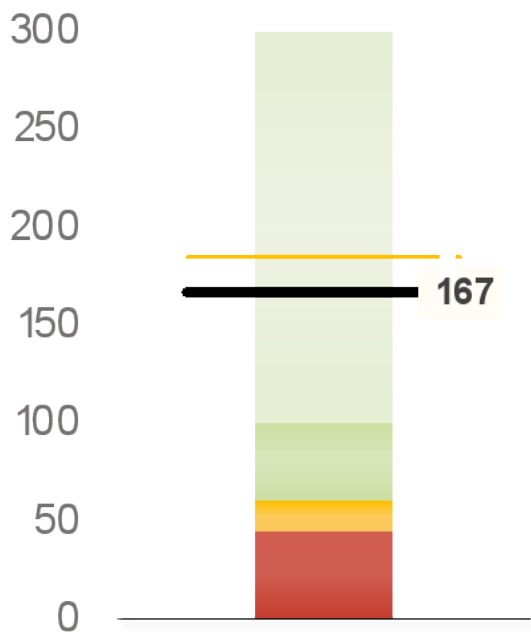
Executive Summary

- Currently projecting an operating income of (\$826k) which is \$944k lower than budgeted
- Enrollment is the most pressing issue at both locations. We had budgeted for 250 students for both Dalton and Lanier and currently have 190 and 216 students respectively. We plan to continue recruiting students through the February count.
- Remaining ESSER funding for both Dalton and Lanier has been allocated and will be drawn down. FY24 Title funding was successfully rolled over to FY25.
- FY24 audit is on track with the newly selected auditor, expecting a clean audit

Key Performance Indicators

Days of Cash

Cash balance at year-end divided by average daily expenses

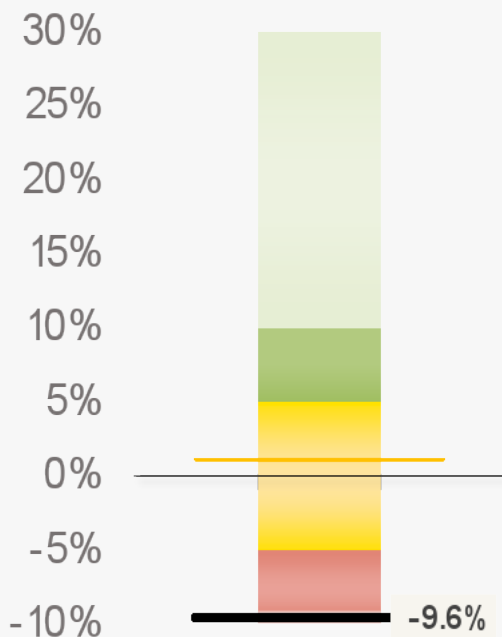


167 DAYS OF CASH AT YEAR'S END

The school will end the year with 167 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

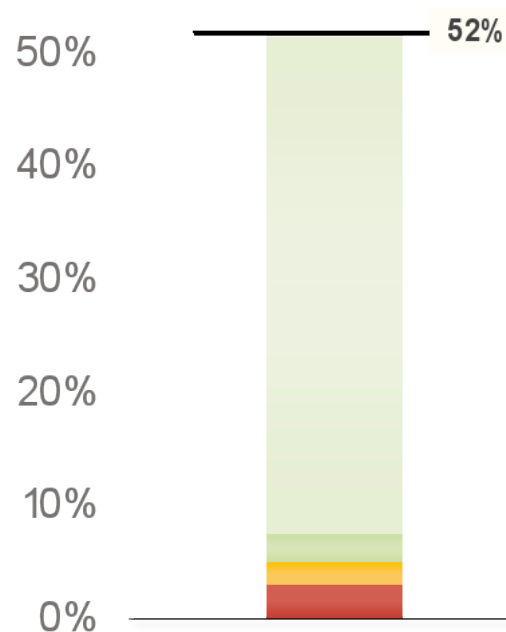


-9.6% GROSS MARGIN

The forecasted net income is -\$826k, which is \$944k below the budget. It yields a -9.6% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses

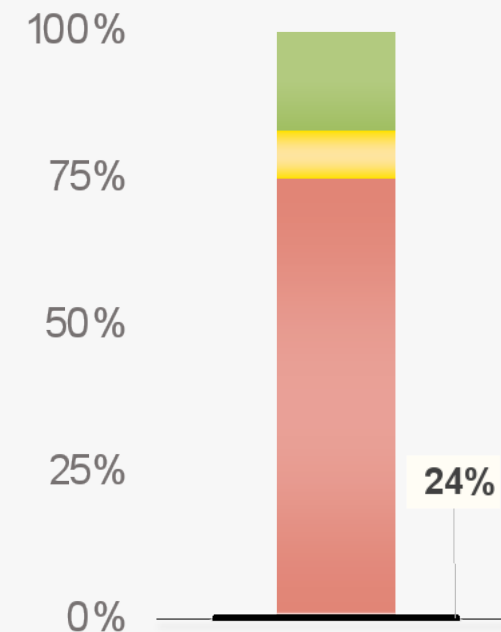


51.99% AT YEAR'S END

The school is projected to end the year with a fund balance of \$4,919,246. Last year's fund balance was \$5,745,292.

Grants Invoiced

Federal grants requested divided by federal grants awarded.



24% GRANTS INVOICED

Drawdowns will occur after the grants are approved. We are working on revisions for ESSER and SuperApp grants

Redesign Financial Reports – Lanier



Lanier			
	Annual		
	Forecast	Budget	Variance
Revenue			
Total State and Local Revenue	2,671,760	3,751,404	(1,079,644)
Total Federal Revenue	1,846,083	1,713,983	132,100
Total Revenue	4,517,843	5,465,387	(947,544)
Expenses			
Total Salaries	2,157,141	2,387,055	229,914
Total Employee Benefits	508,312	481,854	(26,458)
Total Purchased Professional And Technical Services	760,121	779,382	19,261
Total Purchased Property Services	209,181	205,670	(3,511)
Total Other Purchased Services	767,610	819,143	51,533
Total Supplies	387,330	396,250	8,920
Total Debt Service And Miscellaneous	49,842	71,000	21,158
Total Expenses	4,839,537	5,140,353	300,816
Net Income	(321,694)	325,033	(646,727)

Redesign Financial Reports – Dalton



Dalton			
	Annual		
	Forecast	Budget	Variance
Revenue			
Total State and Local Revenue	2,380,992	3,397,956	(1,016,964)
Total Federal Revenue	1,736,741	1,708,583	28,158
Total Revenue	4,117,733	5,106,539	(988,806)
Expenses			
Total Salaries	2,021,224	2,335,255	314,031
Total Employee Benefits	483,937	524,318	40,381
Total Purchased Professional And Technical Services	740,337	776,831	36,494
Total Purchased Property Services	173,405	205,670	32,265
Total Other Purchased Services	763,384	794,398	31,014
Total Supplies	401,857	396,250	(5,607)
Total Debt Service And Miscellaneous	37,907	71,000	33,093
Total Expenses	4,622,051	5,103,723	481,672
Net Income	(504,318)	2,816	(507,134)

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Forecast</i>	<i>Budget</i>	<i>Variance</i>	<i>Remaining</i>	<i>Rem %</i>
Revenue								
State and Local Revenue	1,279,021	1,700,181	(421,160)	5,052,742	6,800,726	(1,747,984)	3,773,721	75%
Federal Revenue	862,239	1,758,206	(895,967)	3,582,823	3,582,823	0	2,720,584	76%
Private Grants and Donations	-	-	-	-	-	-	-	
Earned Fees	-	-	-	-	-	-	-	
Total Revenue	2,141,260	3,458,387	(1,317,127)	8,635,565	10,383,549	(1,747,984)	6,494,305	1
Expenses								
Salaries	885,690	1,189,603	303,913	4,178,365	4,758,412	580,047	3,292,675	79%
Employee Benefits	191,365	259,083	67,718	1,000,842	1,036,331	35,489	809,477	81%
Purchased Professional And Technical Services	325,961	377,928	51,967	1,500,458	1,511,713	11,255	1,174,496	78%
Purchased Property Services	91,171	102,820	11,649	382,586	411,279	28,693	291,416	76%
Other Purchased Services	229,582	403,385	173,803	1,530,924	1,613,541	82,617	1,301,342	85%
Supplies	223,315	198,125	(25,190)	787,886	792,500	4,613	564,572	72%
Debt Service And Miscellaneous	3,959	35,500	31,541	80,549	142,000	61,451	76,590	95%
Total Expenses	1,951,042	2,566,444	615,402	9,461,610	10,265,776	804,165	7,510,568	2
Net Income	190,218	891,943	(701,726)	(826,045)	117,774	(943,819)	(1,016,263)	3
Cash Flow Adjustments	(215,317)	(47,563)	(167,753)	201,737	(399,156)	600,893	417,054	
Change in Cash	(25,099)	844,380	(869,479)	(624,308)	(281,383)	(342,926)	(599,209)	

1 REVENUE: \$1.7M BEHIND

Due to lower enrollment numbers across all three campuses

2 EXPENSES: \$804K AHEAD

3 NET INCOME: \$944K behind

Income Statement	Actual			Forecast									TOTAL
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Revenue													
State and Local Revenue	368,158	368,057	542,806	446,473	446,473	426,095	426,095	426,095	426,095	324,205	426,095	426,095	5,052,742
Federal Revenue	0	0	862,239	302,287	302,287	302,287	302,287	302,287	302,287	302,287	302,287	302,287	3,582,823
Total Revenue	368,158	368,057	1,405,045	748,760	748,760	728,382	728,382	728,382	728,382	626,492	728,382	728,382	8,635,565
Expenses													
Salaries	214,907	334,781	336,002	365,853	365,853	365,853	365,853	365,853	365,853	365,853	365,853	365,853	4,178,365
Employee Benefits	57,318	59,691	74,356	89,942	89,942	89,942	89,942	89,942	89,942	89,942	89,942	89,942	1,000,842
Purchased Professional And Technical Services	188,603	61,962	75,397	130,500	130,500	130,500	130,500	130,500	130,500	130,500	130,500	130,500	1,500,458
Purchased Property Services	24,004	34,494	32,672	32,380	32,380	32,380	32,380	32,380	32,380	32,380	32,380	32,380	382,586
Other Purchased Services	89,608	87,420	52,554	144,594	144,594	144,594	144,594	144,594	144,594	144,594	144,594	144,594	1,530,924
Supplies	86,477	80,097	56,741	62,730	62,730	62,730	62,730	62,730	62,730	62,730	62,730	62,730	787,886
Debt Service And Miscellaneous	0	4,026	-67	8,510	8,510	8,510	8,510	8,510	8,510	8,510	8,510	8,510	80,549
Total Ordinary Expenses	660,918	662,470	627,655	834,508	834,508	834,508	834,508	834,508	834,508	834,508	834,508	834,508	9,461,610
Total Expenses	660,918	662,470	627,655	834,508	834,508	834,508	834,508	834,508	834,508	834,508	834,508	834,508	9,461,610
Net Income	-292,759	-294,413	777,390	-85,747	-85,747	-106,125	-106,125	-106,125	-106,125	-208,016	-106,125	-106,125	-826,045
Cash Flow Statement	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Net Income	-292,759	-294,413	777,390	-85,747	-85,747	-106,125	-106,125	-106,125	-106,125	-208,016	-106,125	-106,125	-826,045
Accounts Receivable	1,016,245	47,731	-862,239	0	0	0	0	0	0	0	0	0	201,737
Prepaid Expenses	213,705	0	-42,607	-19,011	-19,011	-19,011	-19,011	-19,011	-19,011	-19,011	-19,011	-19,011	0
Cash Flow Adjustments	567,532	156,821	-939,669	46,339	46,339	46,339	46,339	46,339	46,339	46,339	46,339	46,339	201,737
Change in Cash	274,772	-137,593	-162,279	-39,408	-39,408	-59,786	-59,786	-59,786	-59,786	-161,677	-59,786	-59,786	-624,308
Ending Cash	5,222,514	5,084,922	4,922,643	4,883,235	4,843,827	4,784,041	4,724,255	4,664,469	4,604,682	4,443,006	4,383,220	4,323,434	

	<i>Previous Year End</i>	<i>Current</i>	<i>Year End</i>
Assets			
Current Assets			
Cash	4,947,742	4,910,054	4,323,434
Accounts Receivable	1,552,047	1,179,213	1,350,310
Total Current Assets	6,499,789	6,089,266	5,673,744
Noncurrent Assets			
Operating Fixed Assets, Net	13,226	0	0
Total Noncurrent Assets	13,226	0	0
Total Assets	6,513,015	6,089,266	5,673,744
Liabilities and Equity			
Liabilities			
Current Liabilities			
Other Current Liabilities	321,442	8,759	321,442
Accounts Payable	446,282	157,162	433,056
Total Current Liabilities	767,724	165,921	754,498
Total Long-Term Liabilities	0	0	
Total Liabilities	767,724	165,921	754,498
Equity			
Unrestricted Net Assets	4,645,215	5,745,292	5,745,292
Net Income	1,100,077	189,960	-826,045
Total Equity	5,745,292	5,935,252	4,919,247
Total Liabilities and Equity	6,513,015	6,101,173	5,673,744

Notice

The following file is attached to this PDF. You will need to open this packet in an application that supports attachments to pdf files, e.g. [Adobe Reader](#):

RSL - Supplemental Report - September 2024.xlsx

Coversheet

Audit Information

Section: II. Item Scheduled for Receipt of Information
Item: B. Audit Information
Purpose: FYI
Submitted by:
Related Material: Redesign_Schools_of_Louisiana_2024_Proposal.pdf

FINANCIAL SERVICES PROPOSAL

**Redesign Schools of Louisiana
Baton Rouge, Louisiana**

Prepared October 07, 2024 by --

KOLDER, SLAVEN & COMPANY, LLC
Certified Public Accountants

1428 Metro Dr.
Alexandria, LA 71301
Phone: (318) 442-4421
Contact: Douglas C. Burke, CPA, CGMA
Douglas.Burke@kcsrpcas.com

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KOLDER, SLAVEN & COMPANY, LLC

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Of Counsel

C. Burton Kolder, CPA*

October 07, 2024

WWW.KSRCPAS.COM

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

* A Professional Accounting Corporation

To Dr. Megan McNamara, Superintendent
& the Board of Directors
Redesign Schools of Louisiana
5959 Cadillac Street
Baton Rouge, Louisiana, 70811

We are pleased to present a proposal to serve Redesign Schools of Louisiana. (hereinafter "RSL").

We understand that this proposal is being requested to perform RSL's financial statement audit, the LLA Statewide Agreed Upon Procedures as well as tax return preparation services for the fiscal year ending June 30, 2024.

Our firm has considerable experience in providing auditing, accounting, tax, financial management consulting, information systems consulting, and other similar professional services to non-profit and local governmental entities as indicated by the client list included in this proposal. Your choice of a firm to provide such services is a crucial decision. We believe this proposal will show that as a full-service accounting firm we are especially professionally qualified to serve RSL.

We estimate the fee related to the audit of the financial statements for the fiscal year ending June 30, 2024 to range from \$40,000 to \$44,500.

We estimate the fee related to the performance of the Louisiana Legislative Auditor Year 5 Statewide Agreed Upon Procedures for the year ending June 30, 2024 to range from \$5,000 to \$8,000.

We estimate the fee related to tax return preparation services will range from \$1,500 to \$3,000.

Douglas Burke, CPA, CGMA (1428 Metro Drive, Alexandria, LA 71301, (318) 442-4421) will serve as the primary contact for the audit and is authorized to make representations for Kolder, Slaven and Company, LLC and bind the firm to this agreement.

We appreciate the opportunity to outline our qualifications to you. We are available to answer any questions you may have about our proposal and/or the Firm.

Sincerely,

KOLDER, SLAVEN & COMPANY, LLC
Certified Public Accountants

Douglas C. Burke, CPA, CGMA

Profile of Firm

Kolder, Slaven & Company, LLC (hereinafter “Firm”) was founded in May 1997 and is a regional firm serving clients throughout Louisiana. Our Firm has ten partners many of whom have been in business for over 30 years: Brad E. Kolder, Robert S. Carter, Arthur R. Mixon, Stephen J. Anderson, Matthew E. Margaglio, Casey L. Ardoin, Wanda F. Arcement, Bryan K. Joubert, Nicholas Fowlkes and Deidre Stock. Our Firm currently operates seven (7) offices, throughout Louisiana, located in Alexandria, Lafayette, Baton Rouge, Morgan City, Abbeville, Ville Platte, and New Iberia. We have a total of one hundred fifteen (115) employees consisting of the following:

Professional staff, including partners	78
Paraprofessional staff	26
Support, Secretarial and others	<u>11</u>
	115

Of the seventy-eight (78) members of our professional staff, thirty-six (36) are Certified Public Accountants.

It is our philosophy to be "client friendly" by offering the broad range of services and in-depth industry experience our clients expect; and, at the same time, keep the personal service and responsiveness which has contributed to our growth. All offices offer the complete spectrum of professional accounting services ranging from audits which includes auditing computerized systems, tax planning and return preparation, assistance in the maintenance of accounting records, computer applications, and management services such as assisting in the preparation of budgets, bond verification statements, etc. Personnel skilled in computer science and information technology are also available.

Assurances Regarding Independence -

We confirm and assert that we meet the independence standards of the State Board of Certified Public Accountants of Louisiana. None of the firm’s partners nor members of the proposed audit team have had professional relationships involving the RSL or any of its management or board members for the past five (5) years.

Assurance Regarding License to Practice in Louisiana -

We confirm and assert that the Firm and all assigned key personnel, as applicable, are properly licensed to practice public accounting in the state of Louisiana.

Auditing Experience -

We have been providing auditing services for over 30 years and are currently providing these services to numerous non-profit organizations and governmental units which have similar accounting and auditing characteristics as RSL. The majority of the non-profit organizations and governmental units being audited by our firm have been our clients for over three (3) years and some have been serviced by our firm for over 25 years. Listed below are our firm's non-profit organization and governmental clients which must have audits conducted in accordance with similar standards, provisions and regulations as required of the audit of RSL.

SCHOOL DISTRICTS

Allen Parish School Board
Avoyelles Parish School Board *
City of Baker School Board
Evangeline Parish School Board
Iberia Parish School Board
Jackson Parish School Board
Lafayette Parish School Board
Sabine Parish School Board *
St. James Parish School Board
St. Landry Parish School Board
Vermilion Parish School Board
Winn Parish School Board *

*** Service provided by the Alexandria Office.**

NON-PROFIT ORGANIZATIONS

Allen Action Agency, Inc.
 Association of Retarded Citizens
 Boys & Girls Clubs of Acadiana, Inc.
 Bayou Teche Water Works, Inc.
 CASA of SOLA
 Cecilia Water System
 Children and Nutrition, Inc.
 Duson Volunteer Fire Department
 East Allen Water District
 Evangeline Parish Community Action Agency
 Fairview Treatment Center
 Festival International de Louisiane
Avoyelles Public Charter School *
 Goodwill Housing Corporation of Rayne, Inc.
 LA Preservation Alliance, Inc.
 Louisiana 4-H Foundation, Inc.
Lycée Francais De La Nouvelle-Orleans*

Magnolia Plantation Water System, Inc.
 Milton Water System, Inc.
 New Start Center
 Our Lady’s Manor, Inc.
 Parks & Recreation Commission of Carencro, Inc.
 Regional Nutrition Assistance, Inc.
 Safety Net for Abused Persons
 Scott Volunteer Fire Department
 Slaughter Volunteer Fire Department
 St. Amant’s DCH, Inc.
 St. Bernard Battered Women’s Program
 St. Mary Association for Retarded Citizens
Red River Charter Academy*
 The ARC of Vermilion
 Vermilionville Historic Foundation, Inc.
 Washington Street Hope Center, Inc.

CITIES/TOWNS/VILLAGES

PARISH GOVERNMENTS

City of Alexandria*
 City of Broussard

 City of Carencro
 City of Crowley
 City of Kaplan
 City of Leesville
City of Marksville*
 City of Morgan City
 City of New Iberia
 City of Patterson
 City of Scott
 City of Ville Platte
 City of Youngsville
 Town of Arnaudville
 Town of Baldwin

 Town of Berwick
 Town of Church Point
 Town of Delcambre
 Town of Duson
 Town of Elton
 Town of Erath
 Town of Gueydan
Town of Mansura*
 Town of Mamou
 Town of Oberlin
 Town of Port Barre
 Town of Slaughter
 Town of Sunset
Village of Moreauville*
Village of Forest Hill *
 Village of Turkey Creek

Avoyelles Parish Police Jury*
 Evangeline Parish Police Jury
 Lafayette City-Parish Consolidated Government
 Lafourche Parish Government
 Iberia Parish Government
 Plaquemines Parish Government
 Pointe Coupee Parish Government

 Vermilion Parish Police Jury
Winn Parish Police Jury*

SHERIFFS

CLERK OF COURTS

Acadia Parish Sheriff
 Cameron Parish Sheriff
 East Feliciana Parish Sheriff
 Evangeline Parish Sheriff
 Iberia Parish Sheriff
 Iberville Parish Sheriff
 Lafayette Parish Sheriff
 St. James Parish Sheriff
 St. Landry Parish Sheriff

East Baton Rouge Parish Clerk of Court
 Evangeline Parish Clerk of Court
 Iberia Parish Clerk of Court
 Lafayette Parish Clerk of Court
 Plaquemines Parish Clerk of Court
 St. James Parish Clerk of Court
 St. Mary Parish Clerk of Court
 Vermilion Parish Sheriff

OTHER GOVERNMENTAL ENTITIES

Acadia Parish Assessor	Recreation Dist. No. 1 for the Parish of St. Mary
Allen Parish Assessor	Recreation Dist. No. 3 for the Parish of St. Mary
Allen Parish Library	Recreation Dist. No. 4 for the Parish of St. Mary
Avoyelles Airport Authority*	Seventh Ward Gravity Drainage District
Berwick Development District	Sixth Ward Marshal for the Parish of St. Mary
Cameron Parish Waterworks District 7	Southeast Waterworks District Number 2
City Court for the City of Morgan City	Southwest Avoyelles Water
Consolidated Gravity Drainage District	St. Mary Parish 911 Communications District
Coulee Baton Drainage District	St. Mary Parish Gravity Drainage District No. 6
Coulee Des Jone Drainage District	St. Mary Parish Library
Coulee Kinney Drainage District	St. Mary Parish Sewerage District No.7
District Attorney of the 12th Judicial District *	St. Mary Parish Sewerage District No.8
District Attorney of the 13 th Judicial District	St. Mary Parish Sewerage District No.9
District Attorney of the 15 th Judicial District	St. Mary Parish Tourist Commission
Evangeline Law Enforcement	St. Mary Parish Ward 5 & 8 Joint Sewer Comm.
Evangeline Parish Communications District	St. Mary Parish Water and Sewer Comm. No. 3
Evangeline Parish Sales and Use Tax Comm.	St. Mary Parish Water and Sewer Comm. No. 4
Fifth Ward Water System*	St. Mary Parish Water and Sewer Comm. No. 5
Franklin City Court	St. Mary Parish Waterworks District No. 5
Gravity Drainage District No. 2	St. Mary Parish Waterworks District No. 6
Gueydan Subdrainage District No. 5	Vermilion Parish Fire Protection District No. 7
Indigent Defender Board of the 13 th Judicial Dist.	Vermilion Parish Library
Isle Marrone Gravity Drainage District #1	Vermilion Parish Waterworks District No. 1
Kaplan City Court	Ville Platte City Court
Lafayette Parish Assessor	Ward Four Water District of Evangeline Parish
Northwest Allen Parish Water District	Ward One Consolidated Gravity
Plaquemines Parish Assessor	West St. Mary Port, Harbor and Terminal District
Prairie Gregg Drainage District	Youngsville Volunteer Fire Department

Audit Approach -

Our financial audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express an unmodified opinion that the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

The audit will include a general planning phase which will include gaining an understanding and knowledge of RSL’s accounting and financial environment as well as the internal control environment and operating characteristics by means of inquiry, observation, and inspection of documents to develop an audit plan, including identification of critical audit areas and an assessment of the risk of material misstatement at the financial statement level. As part of our general planning, we will obtain an

understanding of each of the three elements of the internal control structure to plan the audit of the financial statements. The understanding shall include knowledge about the design of relevant policies, procedures, and records and whether they have been placed in operation and will be obtained through inquiry of your personnel and the performance of walk-through procedures, i.e., review of documents and the tracing of transactions through your various transaction cycles. Analytical procedures will also be used in the general planning phase to enhance our understanding of your operations and the transactions and events that have occurred since the last audit date, and to identify audit areas that may represent specific risks relevant to the audit.

From the information obtained in the general planning phase, we will consider the audit risk and materiality levels. We intend to develop an audit strategy that is efficient and effective. Based upon the unique characteristics of RSL, we may review and test certain aspects of internal control over transactions. Based upon the results of this testing, we may be able to reduce control risk and rely on a more analytical testing perspective. For other internal control areas not specifically tested, control risk will be assessed at the maximum and therefore substantive tests of details of account balances and transactions will be performed. Individual audit programs will be designed to achieve audit efficiency without sacrificing audit effectiveness. To do this, the audit programs will stress the use of analytical procedures, selection of individually significant items, and the use of scanning (visual inspection) of your records for reasonableness and propriety.

The audit will include examining, on a test basis, sufficient evidential matter supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

We will request written representation from your attorneys as part of our audit. At the conclusion of our audit, we will schedule an exit conference with management to discuss the report draft and any observations, recommendations and/or significant deficiencies. We will also request certain written representations from you about the financial statements and related matters.

The timing of our audit procedures is especially important to the completion of the engagement in a timely manner. Preliminary tests and procedures, such as gaining an understanding of internal control, performing walkthrough procedures, will be scheduled, and performed on an interim basis as authorized.

We will continuously check the progress of the audit and update management periodically. Should we discover any issues, they will be communicated to management at once, so they can be resolved in a prompt manner. Field work, with a full audit team, is expected to begin in November and be finished before the end of December. We expect to issue our reports no later than December 31st.

Audit Team -

Our firm has experience in performing governmental audits. It is expected that two to three full-time staff members will staff the engagement. The use of part-time staff or specialists is not expected. Audit staff assigned to engagements varies on an engagement-by-engagement basis, but our experience has been that the consistency of audit staff results in more efficient audits. We will also attempt to assign audit staff with varying degrees of experience to enhance the cost effectiveness of the engagement without sacrificing the quality of service provided. The proposed audit team who will manage and conduct the audit is as follows:

- 1) Nicholas D. Fowlkes, CPA, Partner, will serve as the engagement partner. He is a graduate of Northwestern State University (NSU) and has been involved with governmental and nonprofit audits for more than twelve (12) years and has supervised numerous governmental and non-profit engagements. He has helped clients in the areas of budget preparation, cash management and internal controls. His area of practice includes non-profit audit, governmental audit, single audit, and tax preparation and consulting. He is a member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
- 2) Douglas C. Burke, CPA, CGMA, Manager, is a 1989 graduate of University of Louisiana Lafayette (ULL), where he received a Bachelor of Science degree in accounting. He has over 33 years of accounting experience with 20 years of private accounting and over 13 years of public accounting. He has been involved in all areas of performance and supervision of audits, reviews, and compilations of numerous governmental, non-profit, and financial institution clients. He is currently a member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants. He will serve as the Manager and will oversee the daily audit functions including on-site engagement performance and staff supervision.

3) Staff Auditors – will perform the daily on-site audit functions under the supervision of the Manager.

Peer Review / Desk Review of Engagements / Disciplinary Actions –

The Firm’s most recent peer review was performed in September 2022 by Brisco, Burke & Grigsby, LLP, in which the Firm received a peer review rating of PASS.

We have not had and are not aware of any pending disciplinary actions against the Firm or any member of the Firm’s staff by any federal or state regulatory body or any professional organization now or during the past five (5) years.

Additional Information -

Our engagement documentation will be kept for 5 years unless we are notified as to an extension of the retention period and will be made available for inspection by any successor auditor, the Louisiana State Board of CPAs, or any other Louisiana agency to supply a quality assurance function.

We will notify RSL’s management if it becomes necessary to perform added work beyond originally expected.

Your choice of a firm to provide financial services is a major decision. We believe that as a full-service firm, providing audit, management consulting, information technology, and tax services, we are especially professionally qualified to serve RSL. Our firm's work experience and knowledge gained from auditing non-profit and governmental organizations over the past thirty (30) years will enhance the efficiency of the audit, which in turn should decrease the assistance needed from your staff during the performance of the audit, enabling them to perform their daily duties with little interruption.