22-23 Audit Report Summary and Responses

Purpose of Audit: To form opinion on the financial statements and compliance of RSL as a whole.

**ASSETS**

Current Assets:

Cash and cash equivalents $ 1,419,669

Grants receivable, net $ 3,678,656

Prepaid items Due from affiliates $ 208,665

Total Current Assets $ 5,306,990

Other Assets:

Lease - Right-of-use $ 51,161

TOTAL ASSETS: $ 5,358,151

**NOTES**

Note 11 - Concentration of Support Source

RSL receives primarily all of its support from public funds. If the amount of support received should fall below award budgeted levels, RSL's operating results could be adversely affected.

**Response:** We are aware that the budget will receive less support from public funds in the near future. Our response is to follow a twofold process: to increase enrollment and decrease costs. We continue to strategize ways to increase enrollment for next year and subsequent years. We will also consider other funding sources such as private donations and grant funding.

Note 12 - Concentration of Credit Risk Financial

Instruments which potentially subject RSL to concentrations of credit risk consist principally of cash. See note 2 for additional discussion.

Note 2 -Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). RSL maintains its cash in bank deposit accounts that at times may exceed federally insured limits. RSL does not have a deposit policy and has not experienced any losses in such accounts. At June 30, 2023, RSL has a total collected bank balance of $1,168,279 in excess of the FDIC insured limit.

**Response:** Our plan is to work with our financial vendor, EdOps to select alternative banks or banking methods. This may require transfer of funds and/or altering current financial processes. Will continue to work with EdOps to begin the adjustment.

**FINDINGS**

RE: General Fund Instructional and Support Expenditures

A check of 25 randomly selected instructional and support expenses revealed that the twenty-five (25) sampled transactions were correctly classified and reported.

RE: Class Size Characteristics

For the ten (10) classes selected to check for proper classification on Schedule 2, it was revealed that the sampled transactions were correctly classified and reported.

RE: Education Levels/Experience of Public-School Staff

Out of random selection of 25 employees, 2 out of 25 employees had education level reflected on October 2023 Profile of Educational Personnel (PEP) and 3 out of 25 employees had education level not accurately reported on the October PEP report.

**Response:** RSL will implement procedures so that when staff education is changed and updates are made in PowerSchool, we contact Ed Ops to ensure check and balances before reports are submitted

RE: Public School Staff Data: Average Salaries

Auditor selected a sample of twenty-five (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 in the PEP data.

There were no findings.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

Auditor did not identify any deficiencies in internal control that are considered to be material weaknesses.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

No audit findings that are required to be reported in accordance with Uniform Guidance.

**EXCEPTIONALITIES**

No exceptions noted in the following areas:

* Written Policies and Procedures
* Board and Finance Committee
* Bank Reconciliations
* Collections
* Non Payroll Disbursements
* Credit Cards/Debit Cards/Fuel Cards/Purchase Cards
* Travel and Travel-Related Expense Reimbursements
* Contracts
* Payroll and Personnel
* Ethics
* Fraud Notice
* Information Technology Disaster Recovery/Business Continuity
* Prevention of Sexual Harassment