

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Financial Statements

As of and for the Year Ended June 30, 2024

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Table of Contents

June 30, 2024

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to the Executive Director	18
Reports Required by <i>Government Auditing Standards</i> and by Uniform Guidance	
Independent Auditors' 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>	19
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	21
Schedule of Expenditures of Federal Awards	24
Notes to the Schedule of Expenditures of Federal Awards	25
Schedule of Findings and Questioned Costs	26
Summary Status of Prior Year Findings	28



1904 Stubbs Avenue, Suite B

Monroe, LA 71201

T 318.387.2672 F 318.322.8866

◀ Keeping you on course! ▶

INDEPENDENT AUDITORS' REPORT

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **D'Arbonne Woods Charter School, Inc.** (a nonprofit organization, the School) 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 the School 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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.

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

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 the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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.

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to the executive director, and the 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*, is presented for purposes of additional analysis and is 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 accompanying schedule of compensation, benefits, and other payments to the executive director and 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 January 2, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 the School's internal control over financial reporting and compliance.

Woodard & Associates

**(A Professional Accounting Corporation)
Monroe, Louisiana**

January 2, 2025

FINANCIAL STATEMENTS

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Statement of Financial Position

June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 7,067,619	\$ 298,933	\$ 7,366,552
Investments	222,003	-	222,003
Accounts receivable	59,882	-	59,882
Grants receivable	147,255	-	147,255
Total current assets	<u>7,496,759</u>	<u>298,933</u>	<u>7,795,692</u>
Noncurrent assets			
Assets limited as to use, held by fiscal agent	3,369,248	-	3,369,248
Property and equipment, net	22,866,850	-	22,866,850
Right-of-use assets, net - finance leases	358,424	-	358,424
Total noncurrent assets	<u>26,594,522</u>	<u>-</u>	<u>26,594,522</u>
Total assets	<u>\$ 34,091,281</u>	<u>\$ 298,933</u>	<u>\$ 34,390,214</u>
Liabilities and net assets			
Current liabilities			
Accounts and retainage payable	\$ 87,971	\$ -	\$ 87,971
School activity funds payable	-	16,099	16,099
Payroll liabilities	423,474	-	423,474
Interest payable	21,451	-	21,451
Compensated absences	19,210	-	19,210
Lease liability, current - finance leases	155,835	-	155,835
Bonds payable, current	307,928	-	307,928
Total current liabilities	<u>1,015,869</u>	<u>16,099</u>	<u>1,031,968</u>
Noncurrent liabilities			
Lease liability, noncurrent - finance leases	203,353	-	203,353
Bonds payable, noncurrent	20,592,133	-	20,592,133
Less: Unamortized bond issuance cost	(217,197)	-	(217,197)
Total noncurrent liabilities	<u>20,578,289</u>	<u>-</u>	<u>20,578,289</u>
Total liabilities	<u>21,594,158</u>	<u>16,099</u>	<u>21,610,257</u>
Net assets			
Total net assets	<u>12,497,123</u>	<u>282,834</u>	<u>12,779,957</u>
Total liabilities and net assets	<u>\$ 34,091,281</u>	<u>\$ 298,933</u>	<u>\$ 34,390,214</u>

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

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Statement of Activities

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
State public school funding	\$ 12,540,653	\$ -	\$ 12,540,653
Federal sources	1,147,377	-	1,147,377
State sources	42,074	-	42,074
Donations	19,128	8,800	27,928
Fundraisers	-	193,608	193,608
School activities	-	204,877	204,877
Meal income	66,141	-	66,141
Dues and fees	-	34,617	34,617
Investment income	190,586	-	190,586
Other income	27,906	-	27,906
Net assets released from restrictions	391,215	(391,215)	-
Total support and revenue	<u>14,425,080</u>	<u>50,687</u>	<u>14,475,767</u>
Expenses			
Program services	<u>11,881,980</u>	<u>-</u>	<u>11,881,980</u>
Supporting services			
Management and general	1,204,114	-	1,204,114
Fundraising expenses	62,327	-	62,327
Total supporting services	<u>1,266,441</u>	<u>-</u>	<u>1,266,441</u>
Total expenses	<u>13,148,421</u>	<u>-</u>	<u>13,148,421</u>
Increase (decrease) in net assets	1,276,659	50,687	1,327,346
Net assets at beginning of year	<u>11,220,464</u>	<u>232,147</u>	<u>11,452,611</u>
Net assets at end of year	<u>\$ 12,497,123</u>	<u>\$ 282,834</u>	<u>\$ 12,779,957</u>

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

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Statement of Functional Expenses

For the Year Ended June 30, 2024

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 5,582,813	\$ 278,504	\$ -	\$ 5,861,317
Employee benefits	2,254,160	112,217	-	2,366,377
Payroll taxes	94,827	4,073	-	98,900
Accounting and auditing	-	69,768	-	69,768
Advertising and promotion	-	1,818	-	1,818
Amortization	152,747	-	-	152,747
Books and periodicals	125,006	-	-	125,006
Depreciation	912,323	21,636	-	933,959
Dues and subscriptions	105,018	1,735	-	106,753
Food services	294,614	-	-	294,614
Insurance	154,492	36,942	-	191,434
Interest	-	554,630	-	554,630
Legal	-	7,575	-	7,575
Materials and supplies	509,212	13,677	62,327	585,216
Miscellaneous	97,232	903	-	98,135
Occupancy (maintenance)	529,686	-	-	529,686
Professional & technical services	563,274	93,332	-	656,606
Rental of equipment	61,727	3,250	-	64,977
Utilities	343,580	24	-	343,604
Student transportation	1,156	-	-	1,156
Travel	100,113	4,030	-	104,143
	<u>\$ 11,881,980</u>	<u>\$ 1,204,114</u>	<u>\$ 62,327</u>	<u>\$ 13,148,421</u>

Depreciation expense was allocated between program services and management and general based upon the proportion of square footage used for program expenses (95.5%) and management and general (4.5%) of the total square footage of the school building.

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

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Statement of Cash Flows

For the Year Ended June 30, 2024

Cash flows from operating activities

Receipts from program service payments	\$ 12,606,437
Receipts from contributions and grants	1,618,188
Receipts from special events	193,608
Other cash receipts	225,206
Payments for salaries, benefits and payroll taxes	(8,387,987)
Payments to vendors for goods and services	(3,196,085)
Net cash provided (used) by operating activities	<u>3,059,367</u>

Cash flows from capital and related financing activities

Purchases of capital assets	(389,354)
Principal payments on bonds	(299,211)
Principal payments on finance lease obligations	(146,264)
Interest payments on bonds	(509,948)
Interest payments on finance lease obligations	(31,907)
Receipts from insurance recovery	7,577
Net cash provided (used) by capital and related financing activities	<u>(1,369,107)</u>

Cash flows from investing activities

Receipts from investment maturities	60,793
Purchases of investments	(372,585)
Receipts from investment income	208,383
Net cash provided (used) by investing activities	<u>(103,409)</u>

Net increase (decrease) in cash

1,586,851

Cash at beginning of year

5,779,701

Cash at end of year

\$ 7,366,552

Shown on accompanying Statement of Financial Position as
Cash

\$ 7,366,552

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

NOTES TO THE FINANCIAL STATEMENTS

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

INTRODUCTION

The D'Arbonne Woods Charter School, Inc. (the School) was granted a Type 2 charter by the Louisiana Board of Elementary or Secondary Education (BESE) to provide educational services in Union Parish to students beginning with the 2009-2010 school year. The curriculum is designed to meet the unique needs of rural, at-risk students. The School serves eligible students in kindergarten through twelfth grade. The School is governed by a seven-member board of directors. At its March 9, 2012 meeting, the Louisiana State Board of Elementary and Secondary Education approved a material amendment to the School's charter allowing an increase in total enrollment and to add grades nine through twelve beginning with grade nine in the fall of 2012, subject to certain conditions set by the State Superintendent of Education. The School's Charter was renewed by BESE on December 13, 2023 for a term of eight years, terminating on June 30, 2032.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING

The School follows the guidance of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and has adopted the provisions of FASB's Accounting Standards Update 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* which modifies the presentation of net assets on the basic financial statements. In accordance with FASB ASU 2016-14, net assets are presented in two classes – net assets without donor restrictions and net assets with donor restrictions. Presentation in a particular net asset class is based on the existence or absence of donor-imposed restrictions on the use of net assets. Accordingly, the net assets of the School and changes therein are classified and reported as follows:

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature. These restrictions will be satisfied by actions of the School or by the passage of time.

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. These net assets may be used at the discretion of the School's management and board of directors.

B. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

C. CONTRIBUTIONS

In accordance with ASC 958-605, *Not For Profit Entities-Revenue Recognition*, contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence of any donor restrictions.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net assets class. When a qualifying expenditure occurs, or a time restriction expires, assets with donor restrictions are recognized in net assets without donor restrictions as “net assets released from restrictions” in the statement of activities. If a restriction is fulfilled in the same period in which the contribution is received, the contribution is reported as without donor restrictions. In the event non-cash items are contributed to the School, they are reported as revenue of the net assets without donor restrictions class unless explicit donor stipulations specify how the contributions must be used.

D. REVENUES

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded through the State Public School Fund. The School receives funding per eligible student in attendance on October 1st, which is payable in monthly installments. Adjustments are normally made in the following year on February 1st. State and federal grants are generally on a cost reimbursement basis whereby revenues are recognized when related eligible expenses are incurred.

E. PROPERTY AND EQUIPMENT

The School has adopted the practice of capitalizing all expenditures for depreciable assets where the unit cost exceeds \$5,000 and the useful life exceeds one year. Property and equipment are recorded at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded at their estimated fair market value at the date of donation. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation is allocated between program services and management and general functions based on the proportion of square footage of the school building that is used in carrying out the activities in each function. The following are the estimated useful lives of the property and equipment of the School:

<u>Asset Type</u>	<u>Useful Life (in years)</u>
Buildings	20-40
Building improvements	10-25
Land improvements	30
Furniture and equipment	5-10
Computer equipment	3
Buses	5-10
Software	3-7

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

F. LEASES

The School determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term.

G. COMPENSATED ABSENCES

The School grants all employees of the School a total of ten to twelve days of paid sick leave per year. Sick leave may be accumulated from year to year with no limit. Upon retirement or death, the School will pay to the employee or his/her estate for any unused sick leave not to exceed 25 days. Unused sick leave may be applied to years of service at retirement. Unused sick leave is not paid upon termination or resignation. Compensated absences for sick leave have not been accrued since they cannot be reasonably estimated. The School's policy is to recognize these costs when actually paid.

All full-time personnel employed on a twelve-month fiscal year basis are entitled to annual leave of ten to fifteen days per year, based upon years of consecutive service. Unused leave may be accumulated at a rate of five days per year with a maximum of twenty days. Upon retirement, death, termination, or resignation, the School will pay to the employee or his or her estate for all unused annual leave.

H. INCOME TAXES

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. Also, the School is subject to income tax examinations by the Internal Revenue Service and the Louisiana Department of Revenue; however, there are currently no examinations in progress for any tax periods. The School is no longer subject to examination by tax authorities for years ended before June 30, 2021.

I. INVESTMENTS AND INVESTMENTS HELD BY FISCAL AGENT

The School's investments consist of certificates of deposit with maturities greater than three months. The certificates are reported at cost which approximates fair market value. Investments held with the fiscal agent, reported on the Statement of Financial Position as assets limited as to use, held by fiscal agent, are composed of United States Treasury Strips and Treasury Securities—State and Local Government Series (SLGS) and are carried at fair value.

J. STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

K. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. CONCENTRATIONS

The School received 87% of its revenues from the State of Louisiana's Minimum Foundation Program, in accordance with its charter school contract with the State.

M. RECLASSIFICATIONS

Minor reclassifications have been made to the prior year financial statements to make them comparable to the current year presentation.

Note 2 – CASH

The School's cash (bank balance) at June 30, 2024, was \$7,366,552 of which \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$7,116,552 was unsecured. The School has not experienced any losses due to unsecured cash balances and management does not believe the School is exposed to significant risk.

Note 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the financial position date of June 30, 2024, without donor restrictions limiting their use, consist of the following:

Cash	\$ 7,067,619
Investments	222,003
Grants Receivable	147,255
Accounts Receivable	59,882
Total	<u>\$ 7,496,759</u>

In addition to those resources, an additional \$298,933 of cash with donor restrictions was available for school activities as of June 30, 2024. The School has no policy to invest cash in excess of daily requirements or structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

Note 4 – INVESTMENTS

The School's investments at June 30, 2024 consisted of Certificates of Deposit (CDs) and U.S. Treasury Notes. The CDs were completely secured by FDIC coverage. Investments held by fiscal agent, who does not have discretionary use of the funds, consisted of U.S. Treasury Strips and State and Local Government Series (SLGS) securities, which make up the School's irrevocable trust reserved for future bond payment (the sinking fund; See Note 10).

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

The School's investments at June 30, 2024 were as follows:

Certificates of deposit	<u>\$ 222,003</u>
Assets limited as to use, held by fiscal agent	
U.S. Treasury Stripped Interest Payment	75,167
U.S. Treasury Securities—SLGS	<u>3,294,081</u>
Total assets limited as to use, held by fiscal agent	<u>3,369,248</u>
Total investments	<u><u>\$ 3,591,251</u></u>

ASC Section 820 establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the School has the ability to access.

- Level 2 Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. There is no movement in Level 3 year to year.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The School's investments in CDs and U.S. Treasury Strips at June 30, 2024, were valued using quoted market prices for similar assets in active markets and are considered to be level 2 in the fair value hierarchy. The SLGS securities are issued in book-entry form and lack a readily available market, therefore are not classified within the fair value hierarchy.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future value. Furthermore, while the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements within the fair value hierarchy.

For the year ended June 30, 2024, the School's investments (including gains and losses on investments bought, sold, and held during the year) changed in value as follows:

Interest income from CDs	\$ 1,267
Interest income from investments held by trustee	97,784
Change in market value	(19,064)
	<u>\$ 79,987</u>

Note 5 – GRANTS RECEIVABLE

Grants receivable are as follows for the year ended June 30, 2024:

<u>Program</u>	<u>Amount</u>
Title I	\$ 47,497
Title II	13,521
IDEA	42,562
Education Stabilization Fund	24,365
School Lunch	19,310
Total	<u>\$ 147,255</u>

The School expects to collect substantially all outstanding balances and, therefore, does not include an estimate for allowance for doubtful accounts.

Note 6 – SCHOOL ACTIVITY FUNDS

School activity funds are monies collected through dues, fundraisers, admissions, or other money generating activity by an organizational unit within the School. It also includes donations from outside sources when such donation is made for a specific or restricted purpose. The School considers all school activity funds to be donor-restricted.

Note 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent the school activity funds and any donations made for a specific or restricted purpose. As of June 30, 2024, the entirety of the School's net assets with donor restrictions related to school activity funds.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

Note 8 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2024:

Nondepreciable assets	
Land	\$ 473,787
Construction in progress	8,000
Total nondepreciable assets	<u>481,787</u>
Depreciable assets	
Buildings	20,965,359
Building improvements	546,202
Land and site improvements	3,733,475
Equipment	849,957
Vehicles	1,991,952
Software	78,438
Total depreciable assets	<u>28,165,383</u>
Less: Accumulated depreciation and amortization	<u>(5,780,320)</u>
Total depreciable assets, net	<u>22,385,063</u>
Total property and equipment, net	<u>\$ 22,866,850</u>

Depreciation expense totaled \$933,959 for the year ended June 30, 2024.

All assets acquired with Louisiana Department of Education (LDOE) funds are owned by the School while used for the purpose for which they were purchased. The LDOE, however, has a reversionary interest in these assets. In addition, the United States Department of Agriculture – Rural Development (USDA) has a reversionary interest in the School, which was built from USDA funding, until the debt is paid. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

Note 9 – RETIREMENT PLAN

The majority of the School's employees participate in the Teachers' Retirement System of Louisiana (TRSL). TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description: TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit, or five years of service credit if the employee reaches age sixty, are required to become vested for retirement benefits, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. TRSL issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

Funding Policy: Plan members are required to contribute 8.0% of their annual covered salary. The School is required to contribute at an actuarially determined rate. The rate was 24.1% of annual eligible covered payroll for the year ended June 30, 2024. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contributions to the plan were \$1,382,240 for the year ended June 30, 2024, which is equal to the required contribution.

Note 10 – BONDS PAYABLE

During the 2010 fiscal year, the School issued a \$5.1 million Qualified School Construction Bond (QSCB) bearing interest at 1.0% for the purpose of constructing a school facility. Interest is payable quarterly with the full principal amount due at maturity on December 15, 2029. In addition, the School is making quarterly deposits into an irrevocable trust reserved for future payment of the bond (the sinking fund). These funds are shown as funds held by fiscal agent on the Statement of Financial Position and had a balance of \$3,369,248 at June 30, 2024.

The approximate required balance in the sinking fund, as prescribed by the QSCB bond indenture document, to be funded in contributions, net of interest, is as follows for the next five years:

<u>Fiscal Year</u>	<u>Required Balance</u>
2025	\$ 3,665,576
2026	\$ 3,970,581
2027	\$ 4,283,283
2028	\$ 4,603,877
2029	\$ 4,932,561

During the 2016 fiscal year, the School obtained financing from the United States Department of Agriculture–Rural Development (USDA) to build a new school campus. The total amount of USDA funding was \$18,000,000 with an interest rate of 2.875%. Principal and interest payments are made monthly. The loan is for a term of 40 years and will mature in 2056.

Future minimum required payments on the USDA and QSCB loan are as follows:

	<u>USDA</u>	<u>QSCB</u>	<u>Total</u>
2025	\$ 307,928	\$ -	\$ 307,928
2026	316,898	-	316,898
2027	326,130	-	326,130
2028	335,631	-	335,631
2029	345,408	-	345,408
Thereafter	14,168,066	5,100,000	19,268,066
	<u>\$ 15,800,061</u>	<u>\$ 5,100,000</u>	<u>\$ 20,900,061</u>

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

Changes in bonds payable were as follows for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amounts Due Within One Year
USDA	\$ 16,099,272	\$ -	\$ 299,211	\$ 15,800,061	\$ 307,928
QSCB	5,100,000	-	-	5,100,000	-
Total	<u>\$ 21,199,272</u>	<u>\$ -</u>	<u>\$ 299,211</u>	<u>\$ 20,900,061</u>	<u>\$ 307,928</u>

The School incurred \$522,724 in interest expense on the bonds for the year ended 2024, which included \$13,181 of amortization of the unamortized bond issuance costs.

Note 11 – LEASES

The School evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the School's right to use underlying assets for the lease term, and the lease liabilities represent the School's obligation to make lease payments arising from these leases. The School's leases consist of a building, athletic facilities, and certain equipment, all of which are under the terms of finance leases. The building and facilities are renewable leases and are recorded under the assumption that they are reasonably certain to be exercised for a total period of 10 years. The equipment is recorded under a 4-year term.

The ROU assets and corresponding liability associated with future lease payments as of June 30, 2024 are shown as follows:

ROU asset – buildings	\$ 247,607
ROU asset – equipment	\$ 110,817
Lease liability	\$ 359,188
Weighted average discount rate	6.5%
Weighted average remaining term	4.4 years

Lease costs reported in the Statement of Activities for the year ended June 30, 2024 are as follows:

Amortization of ROU assets	\$ 152,747
Interest on lease liability	31,906
Total	<u>\$ 184,653</u>

Cash paid for the leases during the year ended June 30, 2024 totaled \$178,171.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024

Future maturities for the finance lease payments are expected to be paid as follows for each of the following years:

<u>Fiscal Year Ended</u>	<u>Amount</u>
June 30, 2025	\$ 178,171
June 30, 2026	48,780
June 30, 2027	48,780
June 30, 2028	48,780
June 30, 2029	38,055
June 30, 2030-2031	55,990
Total payments	418,556
Less: Present value discount	(59,368)
Lease liability	<u>\$ 359,188</u>

Note 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 2, 2025, the date the financial statements were available to be issued, and noted that no events occurred subsequent to the reporting period that require disclosure.

SUPPLEMENTARY INFORMATION

D'ARBONNE WOODS CHARTER SCHOOL

Farmerville, Louisiana

**Schedule of Compensation, Benefits, and
Other Payments to the Executive Director**

For the Year Ended June 30, 2024

Executive Director: Doug Postel

Purpose	Amount
Salary	\$ 126,865
Benefits	
Retirement	30,574
Insurance	7,677
Medicare	1,796
Travel	
Conferences/Meetings	760
Other	952
Total	<u>\$ 168,624</u>

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND BY UNIFORM GUIDANCE**



1904 Stubbs Avenue, Suite B

Monroe, LA 71201

T 318.387.2672 F 318.322.8866

Keeping you on course!

**INDEPENDENT AUDITORS' 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***

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, 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 **D'Arbonne Woods Charter School, Inc.** (a nonprofit organization, the School), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 2, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 to those in charge of 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 School'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.

Woodard & Associates

**(A Professional Accounting Corporation)
Monroe, Louisiana**

January 2, 2025



1904 Stubbs Avenue, Suite B
Monroe, LA 71201

T 318.387.2672 F 318.322.8866

← Keeping you on course! →

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

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **D'Arbonne Woods Charter School, Inc.'s** (a nonprofit organization, the School) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2024. The School'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, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of 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 the 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 the School 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 School's compliance with the compliance requirements referred to above.

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

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 School'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 the School'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 the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for 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 School's compliance with the requirements of each 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 School'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 the School'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 School'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.

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

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.

Woodard & Associates

**(A Professional Accounting Corporation)
Monroe, Louisiana**

January 2, 2025

D'ARBONNE WOODS CHARTER SCHOOL
Farmerville, Louisiana

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	Assistance Listing Number	Pass-Through Grantor No.	2024 Expenditures	2024 Passed Through to Subrecipients
Cash and Noncash Federal Awards				
United States Department of Agriculture				
<i>Passed through Louisiana Department of Education:</i>				
Child Nutrition Cluster:				
Cash Assistance				
School Breakfast Program	10.553A	N/A	\$ 70,505	\$ -
National School Lunch Program	10.555A	N/A	182,691	-
COVID-19 National School Lunch Program - Emergency Operational Costs Reimbursement Program	10.555	N/A	32,287	-
Non Cash Assistance (Commodities)				
Commodity Supplemental Food Program	10.565	N/A	32,704	-
Total Child Nutrition Cluster			<u>318,187</u>	<u>-</u>
Total United States Department of Agriculture			<u>318,187</u>	<u>-</u>
United States Department of Education				
<i>Passed through Louisiana Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010A	28-24-T1-m1	344,888	-
Total Title I			<u>344,888</u>	<u>-</u>
Special Education Cluster:				
Special Education - Grants to States	84.027A	28-24-B1-m1	177,419	-
COVID-19 Special Education - Grants to States	84.027X	28-22-IA11-m1	25,311	-
Special Education - Preschool Grants	84.173A	28-24-P1-m1	1,320	-
Total Special Education Cluster			<u>204,050</u>	<u>-</u>
Education Stabilization Fund				
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II - Formula)	84.425D	28-21-ES2F-m1	17,970	-
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER III - Formula)	84.425U	28-21-ESEB-m1	20,867	-
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER III - EB Interventions)	84.425U	28-21-ES3F-m1	129,391	-
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER III - Incentive)	84.425U	28-21-ESEB-m1	5,000	-
Total Education Stabilization Fund			<u>173,228</u>	<u>-</u>
Vocational Education				
Rural Education	84.358B	28-24-RLIS-m1	25,000	-
Supporting Effective Instruction State Grants	84.367A	28-24-50-m1	44,414	-
Total United States Department of Education			<u>791,580</u>	<u>-</u>
Total Cash and Noncash Federal Awards			<u>1,109,767</u>	<u>-</u>
United States Department of Agriculture				
Community Facilities Loans and Grants	10.780	Balance 7/1/2023	16,099,272	-
Total United States Department of Agriculture			<u>16,099,272</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 17,209,039</u>	<u>\$ -</u>

D'ARBONNE WOODS CHARTER SCHOOL

Farmerville, Louisiana

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2024

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of D'Arbonne Woods Charter School, Inc. (the School) for the year ended June 30, 2024 and is presented on the accrual basis of accounting. The accrual basis of accounting recognizes revenues when they are earned and expenses when they are incurred.

Note 2 – Reconciliation of Expenditure of U.S. Department of Agriculture Funds

Federal guidelines require the balance at July 1, 2023 of the USDA Community Facilities Loans and Grants program be given as expenditures on the Schedule of Expenditures of Federal Awards, while the Statement of Financial Position at June 30, 2024, includes this amount in bonds payable, as detailed in Note 10 to the financial statements:

	Schedule of Expenditures of Federal Awards July 1, 2023	Additions	Retirements	Statement of Financial Position June 30, 2024
USDA	<u>\$ 16,099,272</u>	<u>\$ -</u>	<u>\$ 299,211</u>	<u>\$ 15,800,061</u>

Note 3 – Indirect Cost Rate

The School did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2024.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2024

We have audited the financial statements of D'Arbonne Woods Charter School, Inc., which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 2, 2025. 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 audit of the financial statements as of June 30, 2024 resulted in an unmodified opinion.

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over financial reporting

Material Weaknesses Yes X No

Significant Deficiency Yes X None Noted

Noncompliance material to financial statements Yes X No

Federal Awards

Internal Control

Material Weaknesses Yes X No

Significant Deficiency Yes X None Noted

Type of Opinion on Compliance X Unmodified Modified
For Major Programs Disclaimer Adverse

Are there findings required to be reported in accordance with the Uniform Guidance? No

Identification of Major Programs:

ALN 10.780 Community Facilities Loans and Grants

Dollar threshold used to distinguish between Type A and Type B Programs
\$750,000.

Is the auditee a "low-risk" auditee X Yes No

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2024

Section II – Findings related to the financial statements that are required to be reported under *Government Auditing Standards*.

There were no findings identified that are required to be reported under *Government Auditing Standards*.

Section III - Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance.

There were no findings identified that are required to be reported under the Uniform Guidance.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, LA

Summary Status of Prior Year Findings

For the Year Ended June 30, 2024

The status of prior year audit findings reported in the Woodard & Associates (APAC) audit report dated December 22, 2023, covering the examination of the primary government financial statements of the D'Arbonne Woods Charter School, Inc. as of and for the year ended June 30, 2023, is as follows:

2023-001 Accounting for Education Stabilization Fund

Condition Found

Upon receipt of the trial balance, revenues and receivables for the Education Stabilization Fund (ESF) were overstated by approximately \$689,000. The Schedule of Expenditures of Federal Awards was also overstated by the same amount. Reimbursement requests for the ESF were not submitted in a timely manner for the year ended June 30, 2023.

Status

Resolved.

2023-002 Schedule of Expenditures of Federal Awards Preparation and Review

Condition Found

Upon receipt of the trial balance, revenues and receivables for the Education Stabilization Fund (ESF) were overstated by approximately \$689,000. The Schedule of Expenditures of Federal Awards was also overstated by the same amount. Reimbursement requests for the ESF were not submitted in a timely manner for the year ended June 30, 2023.

Status

Resolved.

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



1904 Stubbs Avenue, Suite B
Monroe, LA 71201
T 318.387.2672 F 318.322.8866

Keeping you on course!

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

**To the D'Arbonne Woods Charter School, Inc.,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor**

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

The School 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 purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, 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
 - Nonpublic Transportation Revenue

Result: No exceptions were identified as a result of this procedure.

**To the D'Arbonne Woods Charter School, Inc.,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor**

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 that the class was properly classified on the schedule.

Result: No exceptions were identified as a result of this procedure.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

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

Result: No exceptions were identified as a result of this procedure.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education 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.

Result: No exceptions were identified as a result of this procedure.

We were engaged by the School 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

**To the D'Arbonne Woods Charter School, Inc.,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor**

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 School, as required by Louisiana Revised Statute 24:514.I, 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.

Woodard & Associate

(A Professional Accounting Corporation)
Monroe, Louisiana

January 2, 2025

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Schedules Required by State Law

(R.S. 24:514 – Performance and Statistical Data)

For the Year Ended June 30, 2024

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

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

Schedule 2 – Class Size Characteristics

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

D'ARBONNE WOODS CHARTER SCHOOL

Farmerville, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources

For the Year Ended June 30, 2024

	<u>Column A</u>	<u>Column B</u>
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 3,849,109	
Other Instructional Staff Activities	442,285	
Instructional Staff Employee Benefits	1,716,088	
Purchased Professional and Technical Services	114,483	
Instructional Materials and Supplies	397,083	
Instructional Equipment	<u>15,747</u>	
Total Teacher and Student Interaction Activities		\$ 6,534,795
Other Instructional Activities		112,374
Pupil Support Services	286,359	
Less: Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		286,359
Instructional Staff Services	351,138	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		351,138
School Administration	232,622	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>232,622</u>
Total General Fund Instructional Expenditures		\$ <u>7,517,288</u>
Total General Fund Equipment Expenditures		\$ <u>48,357</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Total Local Taxation Revenue		\$ <u>-</u>
Local Earnings on Investment in Real Property:		
Total Local Earnings on Investment in Real Property		\$ <u>-</u>
State Revenue in Lieu of Taxes:		
Total State Revenue in Lieu of Taxes		\$ <u>-</u>
Nonpublic Textbook Revenue		\$ <u>-</u>
Nonpublic Transportation Revenue		\$ <u>-</u>

D'ARBONNE WOODS CHARTER SCHOOL

Farmerville, Louisiana

Class Size Characteristics

As of October 1, 2023

School Type	Class Size Range									
	1-20		21-26		27-33		34+		Total	
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number
Elementary	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Elementary Activity Classes	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Middle/Jr. High	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Middle/Jr. High Activity Classes	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
High	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
High Activity Classes	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Combination	49.47%	140	43.82%	124	3.53%	10	3.18%	9	100.00%	283
Combination Activity Classes	0.00%	43	7.55%	4	3.77%	2	7.55%	4	18.87%	53
Total		183		128		12		13		336

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.

STATEWIDE AGREED-UPON PROCEDURES



1904 Stubbs Avenue, Suite B

Monroe, LA 71201

T 318.387.2672 F 318.322.8866

◀ Keeping you on course! ▶

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

**To the D'Arbonne Woods Charter School, Inc.
and the Louisiana Legislative Auditor**

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

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**To the D'Arbonne Woods Charter School, Inc.
and the Louisiana Legislative Auditor**

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Result: No exceptions were identified as a result of this procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. Observe whether the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

**To the D'Arbonne Woods Charter School, Inc.
and the Louisiana Legislative Auditor**

- iii. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Result: No exceptions were identified as a result of this procedure.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the all accounts. Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged) within 1 month of the date the reconciliation was prepared; and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Result: No exceptions were identified as a result of this procedure.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Select all deposit sites.
- B. For each deposit site, obtain a listing of collection locations and management's representation that the listing is complete. Select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

**To the D'Arbonne Woods Charter School, Inc.
and the Louisiana Legislative Auditor**

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Result: No exceptions were identified as a result of this procedure.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Select all locations.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

**To the D'Arbonne Woods Charter School, Inc.
and the Louisiana Legislative Auditor**

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Result: No exceptions were identified as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

Result: No exceptions were identified as a result of this procedure.

**To the D'Arbonne Woods Charter School, Inc.
and the Louisiana Legislative Auditor**

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iii. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Result: No exceptions were identified as a result of this procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Select all contracts from the listing, excluding the practitioner's contract, and
- i. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Result: No exceptions were identified as a result of this procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

**To the D'Arbonne Woods Charter School, Inc.
and the Louisiana Legislative Auditor**

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select all employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Result: No exceptions were identified as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Result: No exceptions were identified as a result of this procedure.

11) Debt Service

- A. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Result: No exceptions were identified as a result of this procedure.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete.

**To the D'Arbonne Woods Charter School, Inc.
and the Louisiana Legislative Auditor**

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Result: No exceptions were identified as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select all terminated employees using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Result: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Result: No exceptions were identified as a result of this procedure.

**To the D'Arbonne Woods Charter School, Inc.
and the Louisiana Legislative Auditor**

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

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

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

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

January 2, 2025