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BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENT
For the Years Ending June 30, 2004 and 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-19-05

THOMAS, WILSON, RAGUSA, UFFMAN & CO.

**CERTIFIED PUBLIC ACCOUNTANTS
BATON ROUGE, LOUISIANA**

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THOMAS, WILSON, RAGUSA, UFFMAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Baton Rouge Charter High School, Inc.
d/b/a East Baton Rouge Arts & Technology School
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School (a nonprofit organization) as of June 30, 2004 and 2003, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2004, on our consideration of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Thomas, Wilson, Ragusa, Uffman & Co CPA

Certified Public Accountants
December 20, 2004

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION
(See Notes to Financial Statements)

ASSETS

	For the Years Ended June 30,	
	<u>2004</u>	<u>2003</u>
CURRENT ASSETS:		
Cash	\$ 30,623	\$ 17,534
Accounts Receivable	0	577
Grants Receivable	14,815	0
Prepaid Insurance	0	775
Due From Ted Demurro	<u>2,671</u>	<u>2,671</u>
TOTAL CURRENT ASSETS	48,109	21,557
PROPERTY AND EQUIPMENT:		
Furniture and Fixtures	21,257	21,257
Less Accumulated Depreciation	<u>12,795</u>	<u>7,280</u>
NET PROPERTY AND EQUIPMENT	<u>8,462</u>	<u>13,977</u>
TOTAL ASSETS	<u>\$ 56,571</u>	<u>\$ 35,534</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts Payable	\$ 23,725	\$ 4,771
Accrued Payroll Expenses	22,073	9,442
Income Tax Payable	<u>1,616</u>	<u>1,616</u>
TOTAL LIABILITIES (ALL CURRENT)	47,414	15,829
NET ASSETS:		
Unrestricted	<u>9,157</u>	<u>19,705</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 56,571</u>	<u>\$ 35,534</u>

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES
(See Notes to Financial Statements)

CHANGES IN UNRESTRICTED NET ASSETS	For the Years Ended June 30,	
PUBLIC SUPPORT REVENUES AND OTHER SUPPORT:	<u>2004</u>	<u>2003</u>
State of Louisiana – MFP	\$ 799,791	\$ 900,442
Student Services – Fees and Miscellaneous	2,026	3,225
Grants	52,818	2,473
Other	<u>5,298</u>	<u>4,791</u>
TOTAL PUBLIC SUPPORT REVENUES AND OTHER SUPPORT	859,933	910,931
EXPENDITURES:		
Administrative Expenses	194,888	642,372
Program Expenses	<u>675,593</u>	<u>226,658</u>
TOTAL EXPENDITURES	<u>870,481</u>	<u>869,030</u>
(DECREASE) INCREASE IN UNRESTRICTED NET ASSETS	(10,548)	41,901
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>19,705</u>	<u>(22,196)</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 9,157</u>	<u>\$ 19,705</u>

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS
(See Notes to Financial Statements)

	For the Years Ended June 30,	
	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Students for Student Services	\$ 2,026	\$ 3,295
Cash Received from State of Louisiana - MFP	799,791	900,442
Grants Received	38,003	0
Cash Received from Other Sources	5,298	3,946
Cash Paid to Employees	(542,593)	(406,505)
Cash Paid for Expenses	<u>(289,436)</u>	<u>(456,035)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 13,089	 45,143
 CASH FLOWS USED IN INVESTING ACTIVITIES:		
Cash Paid for Equipment	<u>0</u>	<u>(12,700)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES;		
Decrease in Cash Overdraft	0	(14,909)
Proceeds from Short Term Borrowings	0	2,200
Repayment of Short Term Borrowings	<u>0</u>	<u>(2,200)</u>
 NET CASH USED BY FINANCING ACTIVITIES	 <u>0</u>	 <u>(14,909)</u>
 NET INCREASE IN CASH	 13,089	 17,534
 CASH, BEGINNING OF YEAR	 <u>17,534</u>	 <u>0</u>
 CASH, END OF YEAR	 <u>\$ 30,623</u>	 <u>\$ 17,534</u>

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BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)

EXPENSES:	For the Years Ended June 30,			
	2004		2003	
	Administrative Expenses	Program Expenses	Total	Total
Salaries	\$ 60,025	\$ 378,170	\$ 438,195	\$ 406,505
Contract Labor	0	36,929	36,929	46,651
Group Insurance	5,241	33,019	38,260	33,516
Payroll Taxes	1,721	10,844	12,565	12,600
Employee Benefit – Other	184	1,156	1,340	0
Advertising and Promotional	1,824	0	1,824	1,432
Legal and Accounting	17,875	0	17,875	10,025
Materials, Supplies, Books & Periodicals	15,937	17,756	33,693	39,286
Depreciation	2,206	3,309	5,515	4,910
Dues and Subscriptions	344	0	344	614
Printing and Binding	0	0	0	275
Insurance	5,078	5,078	10,156	5,709
Interest and Penalties	0	0	0	269
Miscellaneous	360	215	575	6,550
Postage and Telephone	5,808	5,809	11,617	19,532
Professional and Technical Services	0	26,940	26,940	17,942
Repairs and Maintenance	1,575	0	1,575	0
Retirement	8,885	55,979	64,864	54,749
Travel	0	1,252	1,252	4,370
Other Purchased Services	0	749	749	320
Utilities	8,757	13,135	21,892	28,723
Cleaning Services	750	0	750	0
Rental – Equipment	4,449	4,450	8,899	5,517
Rental – Facilities	53,869	80,803	134,672	156,170
Property	0	0	0	9,196
Professional Development	0	0	0	2,553
Income Tax Expense	0	0	0	1,616
TOTAL EXPENSES	<u>\$ 194,888</u>	<u>\$ 675,593</u>	<u>\$ 870,481</u>	<u>\$ 869,030</u>

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-1-
June 30, 2004 and 2003

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The School is an independent public high school with a charter to operate in East Baton Rouge Parish. During the year ended June 30, 2004 and 2003, the School had an average enrollment of 119 students.

The School was founded prior to July 1, 2000, began operations in July 2000 and began providing educational services in January 2002.

The School has applied to be a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and to be exempt from federal and state income taxes. They are awaiting final approval from the Internal Revenue Service. We have prepared their financial statements in the non-profit format.

Support – The School receives the majority of its support from the Louisiana Board of Elementary and Secondary Education (BESE). BESE pays the School a monthly fee based on the enrollment.

The School also applies for various grants from the private and public sector. The grants are for specific items and are nonrecurring.

Concentration of Support – The School receives approximately 95% of its annual revenue from BESE.

Contributions – Contributions received are allocated as restricted or unrestricted based on the donors' stipulations.

Donated Services – No amounts have been reflected in the financial statements for donated services. The School generally pays for services requiring specific expertise. However, some Board Members volunteer their time and perform a variety of tasks that assist the Organization with administrative programs.

Program – The sole program of the School is an instructional program.

Functional Expenses – The costs of providing various program and administrative services have been reported on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the various program and administrative services based on estimates made by management.

Cash and Cash Equivalents – Cash includes all unrestricted cash in banks.

Property and Equipment – Purchased property and equipment is capitalized at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the assets.

Accounts Receivable – Bad debts are charged to operations in the year in which the account is determined uncollectible. If the reserve method of accounting for uncollectible accounts were used, it would not have a material effect on the financial statements. No amounts for an allowance for bad debts have been established as the School expects to collect the balance in full.

Income Taxes – Until the School receives approval of their 501(c) (3) status, they are subject to federal and state income taxes on net income. At June 30, 2004, the School had a tax liability of \$1,616 for taxes owed for the year ended June 30, 2003.

Use of Estimates – Management used estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Advertising – The School expenses advertising costs as they are incurred.

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-2-
June 30, 2004 and 2003

NOTE 2: GRANTS

For the year ending June 30, 2004 the School applied for and was allocated \$52,818 in IDEA funds. During the course of the year only \$38,003 was received, resulting in a \$14,815 grant receivable at June 30, 2004. The School was not approved for IDEA funds during the year ended June 30, 2003.

NOTE 3: RETIREMENT PLAN

All employees are covered by the East Baton Rouge Parish Teacher's Retirement Plan. Employees are required to defer 8% of their salary into the plan. The School contributes an additional 13.8% into the plan for 2004 and 2003, into the plan. During the year ended June 30, 2004 and 2003, the School contributed \$64,864 and \$54,749, respectively to the plan.

NOTE 4: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Reconciliation of net income to net cash provided by operating activities:

	<u>2004</u>	<u>2003</u>
(Decrease) Increase in Net Assets	\$ (10,548)	\$ 41,901
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	5,515	4,910
Decrease (Increase) in Accounts Receivable	577	(3,248)
Increase in Grants Receivable	(14,815)	0
Decrease (Increase) in Prepaid Expenses	775	(474)
Increase in Accounts Payable	18,954	1,714
Increase (Decrease) in Payroll Taxes Payable	12,631	(1,276)
Increase in Income Tax Payable	<u>0</u>	<u>1,616</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 13,089</u>	 <u>\$ 45,143</u>

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, cash includes all unrestricted cash accounts held at financial institutions and cash on hand.

NOTE 5: SHORT-TERM BORROWINGS

An individual loaned the School \$2,200 to meet cash flow needs during the year ended June 30, 2003. The loan was interest free. The amount was repaid during the year ended June 30, 2003.

NOTE 6: OPERATING LEASE

The School entered into a 10 year lease for its facilities with Alpha Sigma Partnership beginning on July 1, 2001 and ending at midnight on June 30, 2011. During the year ended June 30, 2004, rental payments of \$11,658 were paid on a monthly basis through April. In May 2004 the School re-negotiated their monthly rent and reduced the payment by \$1,598 for janitorial and maintenance services no longer performed by the landlord resulting in a monthly rental expense of \$10,160. Rent Expense for the year ended June 30, 2004 totaled \$134,672. Estimated annual rental obligation for the next eight years is \$121,920 annually.

The School leases office equipment on a monthly basis. The rental fee is determined by the number of copies produced each month. The average monthly rental cost is \$741.

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-3-
June 30, 2004 and 2003

NOTE 7: PRIOR PERIOD ADJUSTMENT

The financial statements for the year ended June 30, 2003 have been restated to correct an error for over-stated expenses and to accrue income tax expense. The changes caused an increase in cash of \$1,415, an increase in current liabilities of \$1,616, and an increase in operational expenses of \$201, resulting in a decrease in unrestricted net assets of \$201 for the year ended June 30, 2003.

NOTE 8: GOING CONCERN

The School has a charter to operate as an independent high school in the State of Louisiana. The charter was extended until June 2005 by the Board of Elementary and Secondary Education (BESE). Over 95% of the School's funding comes from BESE.

THOMAS, WILSON, RAGUSA, UFFMAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology as of and for the year ended June 30, 2003, and have issued our report thereon dated December 20, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School, in a separate letter dated December 20, 2004.

This report is intended for the information of the board of directors and management, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Thomas, Wilson, Ragusa, Uffman & Co CPA

Certified Public Accountants
December 20, 2004

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2004 and 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School.
2. No reportable conditions relating to the audits of the financial statements are reported in Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School's report on compliance and on internal control over financial reporting based on an audit of financial statements in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School were disclosed during the audits.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

THOMAS, WILSON, RAGUSA, UFFMAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

**AGREED UPON PROCEDURES REPORT ON
SCHOOL BOARD PERFORMANCE MEASURES**

To the Board of Directors
Baton Rouge Charter High School, Inc.
d/b/a East Baton Rouge Arts & Technology School
Baton Rouge, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School and to determine whether the specified schedules are free of obvious errors and omissions. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2003.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced each teacher to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2003 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced each teacher to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School.

The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Thomas, Wilson, Ragusa, Uffman & Co CPA

Certified Public Accountants
December 20, 2004

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

SUPPLEMENTAL SCHEDULES - 1
June 30, 2004

SCHEDULE 1 - GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

General Fund Instructional Expenditures

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$ 378,170	
Other Instructional Staff Activities	2,477	
Employee Benefits	97,487	
Purchased Professional and Technical Services	16,443	
Instructional Materials and Supplies	19,121	
Instructional Equipment	<u>0</u>	
Total Teacher and Student Interaction Activities		\$ 513,698

Other Instructional Activities 2,360

Pupil Support Activities	10,343	
Less: Equipment for Pupil Support Activities	<u>0</u>	
Net Pupil Support		10,343

Instructional Staff Services	125	
Less: Equipment for Instructional Staff	<u>0</u>	
Net Instructional Staff Services		<u>125</u>

TOTAL GENERAL FUND INSTRUCTIONAL EXPENDITURES \$ 526,526

TOTAL GENERAL FUND EQUIPMENT EXPENDITURES \$ 0

CERTAIN LOCAL REVENUE SOURCES

Local Taxation Revenues

Constitutional Ad Valorem Taxes	\$ 0
Renewable Ad Valorem Tax	0
Debt Service Ad Valorem Tax	0
Up to 1% of Collections by Sheriff on Taxes other than School Taxes	0
Sales and Use Taxes	<u>0</u>
Total Local Taxation Revenue	<u>\$ 0</u>

Local Earnings On Investment in Real Property:

Earnings from 16 th Section Property	\$ 0
Earnings form Other Real Property	<u>0</u>
Total Local Earnings on Investment in Real Property	<u>\$ 0</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 0
Revenue Sharing - Other Taxes	0
Revenue Sharing - Excess Portion	0
Other Revenue in Lieu of Taxes	<u>0</u>
Total State Revenue in Lieu of Taxes	<u>\$ 0</u>

Nonpublic Textbook Revenue	<u>\$ 0</u>
Nonpublic Transportation Revenue	<u>\$ 0</u>

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

SUPPLEMENTAL SCHEDULES - 2
June 30, 2004

SCHEDULE 2 – EDUCATIONAL LEVELS OF PUBLIC SCHOOL STAFF AS OF
OCTOBER 1, 2003

Category	Full - Time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	4	29%	-	-	-	-	-	-
Master's Degree	6	43%	1	7%	-	-	-	-
Master's Degree + 30	1	7%	-	-	-	-	1	7%
Specialist in Education	1	7%	-	-	-	-	-	-
Ph. D. or Ed. D.	-	-	-	-	-	-	-	-
Total	12	86%	1	7%	-	-	1	7%

SCHEDULE 3 – NUMBER AND TYPE OF PUBLIC SCHOOLS

Type	Number
Elementary	-
Middle/Jr. High	-
Secondary	1
Combination	-
Total	1

SCHEDULE 4 – EXPERIENCE OF PUBLIC PRINCIPALS
& FULL TIME CLASSROOM TEACHERS

	0-1 yrs	2-3 yrs	4-10 yrs	11-14 yrs	15-19 yrs	20-24 yrs	25 + yrs	Total
Assistant Principals	-	-	-	-	-	-	-	-
Principals	1	-	-	-	-	-	-	1
Classroom Teachers	5	-	4	-	3	1	-	13
Total	6	-	4	-	3	1	-	14

SCHEDULE 5 – PUBLIC SCHOOL STAFF DATA

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$31,850	\$31,850
Average Classroom Teachers' Salary Excluding Extra Compensation	\$31,850	\$31,850

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

SUPPLEMENTAL SCHEDULES - 3
June 30, 2004

SCHEDULE 5-- PUBLIC SCHOOL STAFF DATA CONTINUED

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Number of Teacher Full-time Equivalents (FTEs) Used In Computation of Average Salaries	11.77	11.77

SCHEDULE 6 - CLASS SIZE CHARACTERISTICS

	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	100%	54	-	-	-	-	-	-
High Activity Class	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

SCHEDULE 7 - LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)
FOR THE 21ST CENTURY

This schedule is used to show students LEAP scores for grades 4 and 8. Baton Rouge Charter High School, Inc. d/b/a East Baton Rouge Arts & Technology School begins educating students at grade 9; therefore, this schedule is not applicable to the high school.

SCHEDULE 8 - THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

District Achievement level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Grade 10												
Advanced	-	-	-	-	-	-	-	-	2	3%	-	-
Mastery	3	8%	5	9%	7	25%	3	8%	7	12%	1	4%
Basic	16	45%	19	35%	9	32%	12	33%	15	25%	11	39%
Approaching Basic	5	14%	8	14%	6	21%	6	17%	8	13%	4	14%
Unsatisfactory	12	33%	23	42%	6	22%	15	42%	28	47%	12	43%
Total	36	100%	55	100%	28	100%	36	100%	60	100%	28	100%

BATON ROUGE CHARTER HIGH SCHOOL, INC.
d/b/a EAST BATON ROUGE ARTS & TECHNOLOGY SCHOOL
Baton Rouge, Louisiana

SUPPLEMENTAL SCHEDULES - 4
June 30, 2004

SCHEDULE 8 – THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY CONTINUED

District Achievement level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Grade 11												
Advanced	-	-	2	5%	-	-	-	-	1	2%	-	-
Mastery	4	23%	4	10%	-	-	1	6%	7	17%	-	-
Basic	11	65%	17	41%	-	-	11	65%	15	37%	-	-
Approaching Basic	1	6%	3	7%	-	-	3	17%	5	12%	-	-
Unsatisfactory	1	6%	15	37%	-	-	2	12%	13	32%	-	-
Total	17	100%	41	100%	-	-	17	100%	41	100%	-	-

SCHEDULE 9 – THE IOWA TESTS

Test of Basic Skills	<u>2004</u>	<u>2003</u>	<u>2002</u>
Grade 3	-	-	-
Grade 4	-	-	-
Grade 5	-	-	-
Grade 6	-	-	-
Grade 7	-	-	-
Grade 8	-	-	-
Grade 9	37	45	46

THOMAS, WILSON, RAGUSA, UFFMAN & CO.
C E R T I F I E D P U B L I C A C C O U N T A N T S

A. EDGAR THOMAS, CPA (1949-1979)
STEWART W. WILSON, CPA, P.C.
JAKE T. RAGUSA, JR., CPA (1964-1990)
WARREN BOFINGER, JR., CPA, P.C.
WALTER L. SIMMONS, JR., CPA, P.C.
KERRY G. UFFMAN, CPA, CFP, CFA, P.C.*
DON W. BROWN, CPA, A.P.A.C.
SARA M. DOWNING, CPA, LLC
ALVIN OURSO, JR., CPA, LLC

BRANDT T. EDWARDS, CPA, CFP*
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To the Board of Directors
East Baton Rouge Arts & Technology School

In planning and performing our audit of the financial statements of East Baton Rouge Arts & Technology School (a non-profit organization) for the year ended June 30, 2004, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated December 20, 2004, on the financial statements of The Community School for Apprenticeship Learning.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Expenditure Approval

Out of the sixty transactions reviewed during the test of transactions one check cleared the bank without an authorized signature in the amount of \$834. In order to reduce the risk of unauthorized expenditures, checks should be reviewed by an authorized individual before being mailed to ensure proper approval. Proper internal controls should be implemented to ensure that all approved expenditure payments are signed by an authorized individual.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss these comments and suggestions in further detail at your convenience or to perform any additional study of this matter.

Sincerely,

Thomas, Wilson, Ragusa, Uffman & Co CPA

Certified Public Accountants
December 20, 2003

East Baton Rouge Arts and Technology School

101 St. Ferdinand St. Baton Rouge LA 70802
Phone (225) 389-0868 Fax (225) 389-0834

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05 JAN 13 PM 1:07

January 03, 2005

Corrective Active Plan

I am writing to notify you of our plan of action regarding recommendations made by Thomas, Wilson, Ragusa and Uffman in their management letter for our financial audit for fiscal year 2003-2004.

The concern involved a check that was mailed for payment without a proper signature. The employee who made this mistake is no longer associated with the school. We hired a more experienced person in that capacity. The new employee was given additional training in Accounts Payable. This position is also supervised more closely to provide the appropriate internal controls for these situations.



Kealy Duke
School Director
East Baton Rouge Arts and Technology School