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**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2004**

**W. Kathleen Beard  
Certified Public Accountant**

**10191 Bueche Road  
Erwinville, LA 70729**

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 3-2-05

AVOYELLES PUBLIC CHARTER SCHOOL, INC.

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**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**

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**W. Kathleen Beard  
Certified Public Accountant  
10191 Bueche Road  
Erwinville, LA 70729**

Member:  
American Institute of  
Certified Public Accountants  
Society of Louisiana of  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Avoyelles Public Charter School, Inc.  
Mansura, Louisiana

I have audited the accompanying statements of financial position of the Avoyelles Public Charter School, Inc. (a nonprofit organization) as of June 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Public Charter School, Inc. as of June 30, 2004, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated December 21, 2004, on my consideration of Avoyelles Public Charter School, Inc.'s internal control over financial reporting and my tests 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 my audit.



**W. Kathleen Beard, CPA**  
Erwinville, Louisiana  
December 21, 2004

**W. Kathleen Beard**  
**Certified Public Accountant**  
10191 Bueche Road  
Erwinville, LA 70729

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

Board of Directors  
Avoyelles Public Charter School, Inc.  
Mansura, Louisiana

I have audited the financial statements of the Avoyelles Public Charter School, Inc. (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued my report thereon dated December 21, 2004. I conducted my 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.

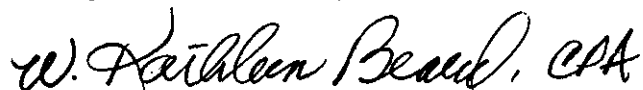
**Compliance**

As part of obtaining reasonable assurance about whether the Avoyelles Public Charter School, Inc.'s financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 04-1.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered the Avoyelles Public Charter School, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors and the management of the Avoyelles Public Charter School, Inc., State of Louisiana and Federal granting agencies, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



**W. Kathleen Beard, CPA**

Erwinville, Louisiana  
December 21, 2004

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Mansura, Louisiana**  
**Statement of Financial Position**  
**June 30, 2004**

	<u>2004</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$430,060
Accrued interest receivable	7,544
Accounts receivable - grants	275,625
Accounts receivable - others	1,259
	-----
Total Current Assets	714,487
<b>Restricted Assets:</b>	
Cash and cash equivalents	54,396
	-----
Total Restricted Assets	54,396
<b>Property and Equipment:</b>	
Property and Equipment (Net of Accumulated Depreciation)	2,712,051
<b>Other Assets:</b>	
Cash and cash equivalents - designated	660,889
Investments - designated	886,164
	-----
Total Other Assets	1,547,054
	-----
Total Assets	\$5,027,988
	=====
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current Liabilities:</b>	
Accounts payable	13,951
Accrued expenses	132,381
Due to others	10,980
Notes payable - current portion	85,409
	-----
Total Current Liabilities	242,721
<b>Long-term Liabilities:</b>	
Notes payable	1,607,612
	-----
Total Long-term Liabilities	1,607,612
	-----
Total Liabilities	1,850,333
<b>Net Assets:</b>	
Net assets - unrestricted	1,587,185
Net assets - designated	1,547,054
Net assets - restricted	43,416
	-----
Total Net Assets	3,177,655
	-----
Total Liabilities & Net Assets	\$5,027,988
	=====

See accompanying notes to financial statements.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Mansura, Louisiana**  
**Statement of Activities**  
**For the year ended June 30, 2004**

	<b>2004</b>
<b>Public Support Revenues and Other Support:</b>	
Unrestricted grants in aid - state	\$2,382,522
Restricted grants in aid - federal and state	434,960
Restricted grants in aid - others	26,241
Student fees	68,325
Donations - unrestricted	345,160
Miscellaneous revenue	94,902
Interest earned	32,395
	-----
Total public support revenues and other support	3,384,505
<b>Expenses:</b>	
Administrative expenses	188,674
Program expenses	1,870,372
Fund raising expenses	17,077
	-----
Total expenses	2,076,122
	-----
<b>Increase (decrease) in net assets</b>	<b>\$1,308,383</b>
Net assets at beginning of period	1,881,697
Prior period adjustment	(12,424)
	-----
Net assets at end of period	\$3,177,655
	=====

See accompanying notes to financial statements.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Mansura, Louisiana**  
**Statement of Cash Flow**  
**For the year ended June 30, 2004**

	<b>2004</b>
<b>Cash flows from operating activities:</b>	
Increase in net assets	\$1,308,383
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	77,673
Contributions of property	(343,500)
(Increase) decrease in operating assets:	
Accounts/grants receivable	(98,515)
Accrued receivables	(4,126)
Other receivables	(1,259)
Increase (decrease) in operating liabilities:	
Accounts payable	6,872
Accrued expenses	11,066
Payable to others (activity funds)	(1,445)
	-----
Net cash provided (used) by operating activities	955,149
<b>Cash flows from investing activities:</b>	
Payment for purchases of property and equipment	(402,542)
Payments for purchases of investments	(105,967)
	-----
Net cash provided (used) by investing activities	(508,509)
<b>Cash flows from financing activities:</b>	
Decreases in notes payable	(78,322)
	-----
Net cash provided (used) by financing activities	(78,322)
	-----
Net increase (decrease) in cash and cash equivalents	368,318
Cash and cash equivalents, Beginning of Year	777,028
	-----
<b>Cash and cash equivalents, End of Year</b>	<b>\$1,145,345</b>
	=====

See accompanying notes to financial statements.



**Avoyelles Public Charter School, Inc.**  
**Mansura, Louisiana**  
**Statement of Functional Expenses**  
**For the year ended June 30, 2004**

<b>Expenses:</b>	<b><u>Administrative Expenses</u></b>	<b><u>Program Expenses</u></b>	<b><u>Fund Raising Expenses</u></b>	<b><u>Total</u></b>
Salaries	\$70,214	\$942,156	\$0	\$1,012,370
Payroll taxes	980	13,528	0	14,508
Employee group insurance	6,900	101,070	0	107,970
Retirement fund contribution	9,745	128,471	0	138,216
Transportation	0	63,767	0	63,767
Advertising	1,394	687	0	2,081
Depreciation expense	0	77,673	0	77,673
Dues and fees	1,793	0	0	1,793
Insurance	11,831	31,470	0	43,301
Repairs and maintenance	0	29,302	0	29,302
Audit/accounting services	51,033	0	0	51,033
Legal services	12,738	0	0	12,738
Other professional services	0	87,658	0	87,658
Miscellaneous expense	951	16,279	0	17,230
Bank charges and fees	48	21	0	69
Purchased educational services	0	10,469	0	10,469
Materials and supplies	18,147	57,944	17,077	93,167
Books and periodicals	0	47,601	0	47,601
Telephone and postage	2,900	4,537	0	7,437
Utilities	0	30,188	0	30,188
Food service management	0	151,021	0	151,021
Interest expense	0	76,530	0	76,530
	-----	-----	-----	-----
	\$188,674	\$1,870,372	\$17,077	\$2,076,122
	=====	=====	=====	=====

See accompanying notes to financial statement.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements**  
**June 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Avoyelles Public Charter School, Inc. was granted a charter by the State Board of Elementary and Secondary Education in 1999 to provide a stimulating environment to academically challenged elementary school children. The School incorporates firm policies of discipline with parental and community involvement so that students will master essential academic and life skills. The Avoyelles Public Charter School, Inc. is a Type 2 Charter School governed by a board of directors.

The Avoyelles Public Charter School, Inc. is a nonprofit organization exempt from federal and state income tax under Section 501(c)(3) of the United States Internal Revenue Code.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Public Support and Revenue

Avoyelles Public Charter School, Inc. receives its grant support primarily from the Louisiana State Department of Education.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

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 temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Avoyelles Public Charter School, Inc. had no temporarily or permanently restricted net assets as of June 30, 2004 arising from contributions.

Cash and cash equivalents

The School considers all unrestricted, highly liquid investments with an initial maturity of less than three months as cash and cash equivalents.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment

Property and equipment are capitalized at cost. It is the School's policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed. Furniture and fixtures are being depreciated over estimated useful lives of five to seven years using a straight-line method. Property and equipment are being depreciated over their estimated useful lives using the straight-line method, using the following lives:

Transportation equipment	5 years
Furniture & fixtures	5 - 7 years
Machinery & equipment	5 - 10 years
Buildings	40 years

**NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

At June 30, 2004, cash and cash equivalents consisted of the following:

Petty Cash	\$ 50
Cash in checking accounts	462,396
Short term investments	<u>682,899</u>
Total	<u>\$ 1,145,345</u>

At June 30, 2004, the School holds investments totaling \$886,164 as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of Deposit	<u>\$886,164</u>	<u>\$886,164</u>
Total	<u>\$886,164</u>	<u>\$886,164</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2004, the School's deposits (bank balances) totaled \$2,045,498. These deposits are secured from risk by \$333,738 of federal deposit insurance. Of the remaining balance of \$1,711,760, \$1,568,344 was secured by the pledge of securities and \$200,000 was unsecured.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2004**

**NOTE C - GRANTS RECEIVABLE**

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 2004:

United States Department of Education IDEA/Special Ed	\$ 64,109
United States Department of Education Title I	159,933
United States Department of Education Title II	31,352
United States Department of Education Title IV	3,196
United States Department of Education Title V	1,929
United States Department of Education Preschool	2,123
Louisiana State Board of Elementary and Secondary Education – Very Special Arts 8(g)	5,000
Louisiana State Board of Elementary and Secondary Education – Providing Students with Tickets Through Travel 8(g)	4,000
Other – E-Rate	<u>3,983</u>
Total grants receivable	<u>\$ 275,625</u>

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2004**

**NOTE D – FIXED ASSETS**

A summary of fixed assets is as follows:

	<u>Balance</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2004</u>
Land and land improvements	\$ 101,853	\$ 365,187	\$ -	\$ 467,040
Buildings	1,970,451	1,164	-	1,971,614
Transportation equipment	44,500	-	-	44,500
Furniture and Fixtures	47,819	4,875	-	52,694
Machinery and equipment	31,439	47,331	-	78,771
Construction in progress	<u>-</u>	<u>327,485</u>	<u>-</u>	<u>327,485</u>
	<u>2,196,062</u>	<u>\$ 746,042</u>	<u>\$ -</u>	<u>2,942,103</u>
Accumulated depreciation	<u>(152,379)</u>	<u>\$( 77,673)</u>	<u>\$ -</u>	<u>( 230,052)</u>
Net fixed assets	<u>\$ 2,043,682</u>			<u>\$ 2,712,051</u>

**NOTE E – LONG-TERM NOTE PAYABLE**

**United States Department of Agriculture**

By resolution of the Board of Directors on February 22, 2000, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$1,600,000 for the purpose of providing the cost of building an educational facility. The Board of Directors entered into a security agreement with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$1,600,000 at an interest rate of 5.125% payable over twenty-five years. At June 30, 2004 the school had an outstanding principal balance of \$1,479,008. Future debt service requirements are as follows:

<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2005	43,878	74,778	118,656
2006	46,180	72,476	118,656
2007	48,603	70,053	118,656
2008	51,154	67,502	118,656
2009	53,838	64,818	118,656
2010-2025	<u>1,235,354</u>	<u>545,090</u>	<u>1,780,444</u>
Totals	<u>\$1,479,008</u>	<u>\$894,717</u>	<u>\$2,373,724</u>

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2004**

**NOTE E – LONG-TERM NOTE PAYABLE (continued)**

**Louisiana Local Government Environmental Facilities and Community Development Authority**

By resolution of the Board of Directors on December 1, 2001, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$497,694. The Board of Directors entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to borrow \$497,694 interest free through the issuance of Qualified Zone Academy Bonds (QZAB's) payable over thirteen years. At June 30, 2004 the school had drawn down \$295,890 with remaining available funds of \$201,804. The remaining funds will be drawn down as projects are approved by the Authority. Future debt service requirements are as follows:

<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2005	36,196	-	36,196
2006	36,196	-	36,196
2007	36,196	-	36,196
2008	36,196	-	36,196
2009	36,196	-	36,196
2010-2015	<u>33,469</u>	<u>-</u>	<u>33,469</u>
Totals	<u>\$ 214,449</u>	<u>\$ -</u>	<u>\$ 214,449</u>

**NOTE F – NET ASSETS**

**Designated**

Designated net assets represent tentative plans for future use of financial resources as designated by the board of directors.

**Restricted**

Restricted net assets represent those portions of net assets not appropriate for expenses legally segregated for a specific future use.

The loan covenant for the outstanding loan with the USDA requires a reserve account deposit each month in the amount \$950 until the amount on deposit is equal to the reserve fund requirement. The reserve account was funded in the amount of \$43,416 at June 30, 2004 and these funds are presented as restricted net assets on the financial statements.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2004**

**NOTE G – RETIREMENT SYSTEMS**

Substantially all employees of the School are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel, are members of the Louisiana School Employees' Retirement System. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Teachers' Retirement System of Louisiana (TRS)**

**Plan Description.** The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is 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. The TRS issues a publicly available financial report and includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

**Funding Policy.** Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School is required to contribute at an actuarially determined rate. The current rate is 13.1 percent of annual covered payroll for all three membership plans. Member contributions and employer's contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations and by remittances from the School.

The School's contributions to the TRS for the years ending June 30, 2004, 2003, and 2002 were \$209,024, \$180,400 and \$157,802, respectively, equal to the required contributions for each year.

**B. Louisiana School Employees' Retirement System (LSERS)**

**Plan Description.** The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is 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. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2004**

**NOTE G – RETIREMENT SYSTEMS (continued)**

**Funding Policy.** Plan members are required to contribute 7.5 percent of their annual covered salary, and the school board is required to contribute at an actuarially determined rate. The current rate is 6.00 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law, and rates are established by the Public Retirement Systems' Actuarial Committee. The School's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The School's contributions to the LSERS for the year ending June 30, 2004, 2003, and 2002 were \$3,194, \$1,964, and \$2,115, respectively, equal to the required contributions for each year.

**NOTE H – COMPENSATED ABSENCES**

The school has the following policy relating to annual leave:

The school allows each employee ten days of annual leave each school year. Annual leave can be accumulated without limitation. Upon termination, retirement or death, unused accumulated annual leave benefits are not paid to the employee. However, under Teachers Retirement System of Louisiana and Louisiana School Employees Retirement System, allowable unpaid personal leave is used in the retirement benefit computation as earned service.

**NOTE I – SCHOOL ACTIVITY DEPOSITS DUE TO OTHERS**

The school acts as custodian for several student activity bank accounts. Funds held on behalf of these groups amounted to \$ 10,980 at June 30, 2004 and is reported as both an asset (restricted cash) and a liability (Due to others). Consequently, there is no effect on the school's net assets.

**NOTE J – DONATED SERVICES**

Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Professional time, which is donated, is valued at the current market rate of the specific project. The School generally pays for services requiring specific expertise. However, some Board Members and employees volunteer their time and perform a variety of tasks that assist the Organization with administrative programs.

**NOTE K – DONATED PROPERTY**

In 2004 a donor contributed 32 acres of land to the school without restriction. Its fair value at the date of its contribution was \$343,500.



**AVOUELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2004**

**NOTE L – SUBSEQUENT EVENTS**

**United States Department of Agriculture**

On September 9, 2004 school had applied for an additional direct loan from the United States Department of Agriculture in the amount of \$1,100,000. The proceeds from this loan will be used to finance Phase I (site development) for the construction of a performing arts facility as well as a high school educational facility.

**NOTE M – CONSTRUCTION COMMITMENTS**

Subsequent to June 30, 2004, the school entered into a construction contract with C. G. Logan Construction, Inc. in the amount of \$881,215 for Phase 1 Campus Improvements plus engineering and other fees estimated to be 218,785. Total cost of Phase I of the project is expected to be \$1,100,000 and will be financed from proceeds of the \$1,100,000 USDA loan.

**NOTE N – PRIOR PERIOD ADJUSTMENT**

Beginning net assets were adjusted to reflect the reclassification for student activity funds in the amount of \$12,424 from net assets to the liability account "Due to Others".

**NOTE O – CONTINGENCIES**

The School is involved in a lawsuit related to busing issues. Legal council for the School expects a favorable result in the lawsuit.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Summary Schedule of Current Audit Findings**  
**For the Year Ended June 30, 2004**

**Financial Statements**

I have audited the statements of financial position of the Avoyelles Public Charter School, Inc. (a nonprofit organization) as of June 30, 2004, and the related statement of activities and cash flow for the year then ended and have issued my report thereon dated December 21, 2004. I conducted my 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. My audit of the financial statements as of June 30, 2004 resulted in an unqualified opinion.

**Section I – Internal Control and Compliance Material to the Financial Statements**

**Compliance**

Finding 04-1: At June 30, 2004, Union Bank failed to secure the school's deposits in excess of \$100,000 of federal depository insurance with the pledge of securities as deposit collateral.

Cause: The account was opened during the current fiscal year, it is likely that the bank was unaware of the requirement to maintain deposit collateral in the form of pledged securities.

Criteria: State law requires that public monies on deposit in financial institutions in excess of federal depository insurance must be secured by a pledge of securities owned by the fiscal agent bank.

Effect: Deposits of \$200,000 were uninsured and un-collateralized.

Perspective Information: As of November 2004 the bank has adequate securities pledged as collateral for the school's deposits.

Recommendation: To ensure that bank continues to maintain adequate deposit collateral, management should request that the bank notify the school in writing at least quarterly of securities pledged as deposit collateral.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2004**

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corr. Action Taken</u>
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**Section I – Internal Control and Compliance Material to the Financial Statements**

No findings noted.

**Section II – Internal Control and Compliance Material to Federal Awards**

*No findings noted.*

**Section III – Management Letter**

No findings noted.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended June 30, 2004**

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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**Section I – Internal Control and Compliance Material to the Financial Statements**

Management will discuss with Union Bank the requirement for, and importance of maintaining adequate deposit collateral at all times. Management will also request that the financial institution confirm to the School in writing on a quarterly basis the nature and amount of pledged securities.

This matter was fully resolved on December 21, 2004. Union Bank began securing the School's deposits with the pledge of securities in November 2004.

**Section II – Internal Control and Compliance Material to Federal Awards**

Not applicable

**Section III – Management Letter Comments**

No findings noted.

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

**W. Kathleen Beard**  
**Certified Public Accountant**  
10191 Bueche Road  
Erwinville, LA 70729

Member:  
American Institute of  
Certified Public Accountants  
Society of Louisiana of  
Certified Public Accountants

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
Avoyelles Public Charter School, Inc.  
Mansura, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Avoyelles Public Charter School, Inc. 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 the Avoyelles Public Charter School, Inc. and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. 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, I 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.

My 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. I reconciled amounts reported in Schedule 1 in the categories listed below to respective general ledger account balances to determine that 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.

No significant differences noted.

### **Education Levels of Public School Staff (Schedule 2)**

2. I 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 1st.

No differences noted.

3. I 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.

No differences noted.

4. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. I traced a population of 21 teachers (total number of teachers on staff) to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

No differences noted.

### **Number and Type of Public Schools (Schedule 3)**

5. I obtained a list of schools by type as reported on the schedule. I 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.

No differences noted.

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

6. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 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.

No differences noted.

### **Public Staff Data (Schedule 5)**

7. I 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 a population of 21 teachers (total number of teachers on staff) 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.

No differences noted.

8. I recalculated the average salaries and full-time equivalents reported in the schedule.

No differences noted.

**Class Size Characteristics (Schedule 6)**

9. I 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. I 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.

No differences noted.

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

10. I 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 the Avoyelles Public Charter School, Inc..

No differences noted.

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

11. I 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 the Avoyelles Public Charter School, Inc.

This schedule was not applicable to the Avoyelles Public Charter School, Inc. as they have not yet been required to administer this test.

**The Iowa Tests (Schedule 9)**

12. I 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 the Avoyelles Public Charter School, Inc.

No differences noted.

I was 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 I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Avoyelles Public Charter School, Inc., 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.



**W. Kathleen Beard, CPA**

Erwinville, Louisiana  
December 21, 2004



**AVOYELLES PUBLIC CHARTER SCHOOL, INC.  
MANSURA, LOUISIANA**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2004**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 664,312	
Other Instructional Staff Activities	-	
Employee Benefits	217,187	
Purchased Professional and Technical Services	15,586	
Instructional Materials and Supplies	65,185	
Instructional Equipment	4,320	
Total Teacher and Student Interaction Activities	<u>966,590</u>	\$ 966,590

Other Instructional Activities 49,791

Pupil Support Activities

Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	<u>-</u>	-

Instructional Staff Services

Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u>53,248</u>	53,248

Total General Fund Instructional Expenditures \$ 1,069,629

Total General Fund Equipment Expenditures \$ 36,370

**Certain Local Revenue Sources**

Local Taxation Revenue:

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

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

**AVOYELLES PUBLIC CHARTER SCHOOL  
MANSURA, LOUISIANA**

**Education Levels of Public School Staff  
As of October 1, 2003**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	13	79%	5	16%	0	0%	2	100%
Master's Degree	1	0%	1	0%	0	0%	0	0%
Master's Degree + 30	1	5%	0	0%	0	0%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>15</b>	<b>84%</b>	<b>6</b>	<b>16%</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>100%</b>

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.  
MANSURA, LOUISIANA****Number and Type of Public Schools  
For the Year Ended June 30, 2004**

<b>Type</b>	<b>Number</b>
Elementary	1
Middle/Jr. High	0
Secondary	0
Combination	0
<b>Total</b>	<b>1</b>

Note: Schools opened or closed during the fiscal year are included in this schedule.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.  
MANSURA, LOUISIANA**

**Experience of Public Principals and Full-time Classroom Teachers  
As of October 1, 2003**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	0	1	0	0	1
Principals	0	0	1	0	0	0	0	1
Classroom Teachers	1	3	12	1	2	1	1	21
<b>Total</b>	1	3	13	1	3	1	1	23

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.  
MANSURA, LOUISIANA**

**Public School Staff Data  
For the Year Ended June 30, 2004**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$ 31,400.60	\$ 31,400.60
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$ 31,082.13	\$ 31,082.13
<b>Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries</b>	21.5	21.5

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.  
MANSURA, LOUISIANA**

**Class Size Characteristics  
As of October 1, 2003**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0%	0	0%	0	100%	0	0%	0
Elementary Activity Classes	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	0%	0	0%	0	0%	0	0%	0
High Activity Classes	0%	0	0%	0	0%	0	0%	0
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.  
MANSURA, LOUISIANA**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century  
For the Year Ended June 30, 2004**

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>	N/A											
Advanced	0	0%	2	4%	4	7%	1	1%	0	0%	1	2%
Proficient	10	19%	6	11%	8	15%	11	22%	7	13%	7	13%
Basic	35	65%	32	59%	19	35%	31	58%	26	48%	16	30%
Approaching Basic	8	15%	13	24%	20	37%	9	18%	15	28%	18	33%
Unsatisfactory	1	1%	1	2%	3	6%	2	1%	6	11%	12	22%
<b>Total</b>	<b>54</b>	<b>100%</b>	<b>54</b>	<b>100%</b>	<b>54</b>	<b>100%</b>	<b>54</b>	<b>100%</b>	<b>54</b>	<b>100%</b>	<b>54</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>	N/A											
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
<b>Total</b>												

**AVOYELLES PUBLIC CHARTER SCHOOL  
MANSURA, LOUISIANA**

**The Graduation Exit Exam for the 21st Century  
For the Year Ended June 30, 2004**

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>	N/A											
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
<b>Total</b>												

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>	N/A											
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
<b>Total</b>												



**AVOYELLES PUBLIC CHARTER SCHOOL, INC.  
MANSURA, LOUISIANA**

**The IOWA Tests  
For the Year Ended June 30, 2004**

	<b>Composite</b>		
	2004	2003	2002
<b>Test of Basic Skills (ITBS)</b>			
Grade 3	53.0%	59.0%	56.0%
Grade 5	63.0%	54.0%	54.5
Grade 6	48.0%	55.0%	50.5
Grade 7	64.0%	52.0%	N/A
<b>Tests of Educational Development (ITED)</b>			
Grade 9	N/A	N/A	N/A

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.