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Avoyelles Public Charter School, Inc.

Annual Financial Report

June 30, 2007 and 2006

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 1/30/08

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, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years 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 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 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 audits provide 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, 2007 and 2006, 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*, I have also issued my report dated December 19, 2007 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. The purpose of this report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Avoyelles Public Charter School, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

W. Kathleen Beard, CPA
Erwinville, Louisiana
December 19, 2007

**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

**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
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 years ended June 30, 2007 and 2006, and have issued my report thereon dated December 19, 2007. 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.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Avoyelles Public Charter School, Inc.'s internal control as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly I do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably, in accordance with generally accepted accounting principles, such that there is a more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and 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 19, 2007

BASIC FINANCIAL STATEMENTS

AVOYELLES PUBLIC CHARTER SCHOOL, INC.

Mansura, Louisiana

Statements of Financial Position

June 30, 2007 and 2006

ASSETS	<u>2007</u>	<u>2006</u>
Current Assets:		
Cash and cash equivalents	\$1,437,239	\$1,290,610
Accrued interest receivable	25,952	16,501
Accounts receivable - grants	466,391	461,397
Accounts receivable - others	394	1,479
Total Current Assets	<u>1,929,977</u>	<u>1,769,986</u>
Restricted Assets:		
Cash and cash equivalents	127,421	88,039
Total Restricted Assets	<u>127,421</u>	<u>88,039</u>
Property and Equipment:		
Property and Equipment (Net of Accumulated Depreciation)	13,760,372	8,457,657
Other Assets:		
Cash and cash equivalents - designated	1,688,475	1,258,959
Investments - designated	1,742,084	1,681,986
Total Other Assets	<u>3,430,560</u>	<u>2,940,945</u>
Total Assets	<u>\$19,248,329</u>	<u>\$13,256,627</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 32,923	\$ 50,222
Contracts & retainages payable	1,187,512	1,278,834
Accrued expenses	195,711	153,630
Due to others	45,276	20,447
Accrued interest payable	0	37,551
Notes payable - current portion	246,620	241,975
Total Current Liabilities	<u>1,708,042</u>	<u>1,782,659</u>
Long-term Liabilities:		
Notes payable	10,740,804	5,660,328
Total Long-term Liabilities	<u>10,740,804</u>	<u>5,660,328</u>
Total Liabilities	12,448,846	7,442,987
Net Assets:		
Net assets - unrestricted	3,286,779	2,805,103
Net assets - designated	3,430,560	2,940,945
Net assets - restricted	82,145	67,593
Total Net Assets	<u>6,799,484</u>	<u>5,813,640</u>
Total Liabilities & Net Assets	<u>\$19,248,329</u>	<u>\$13,256,627</u>

See accompanying notes to financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Mansura, Louisiana
Statement of Activities
For the years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Public Support Revenues and Other Support:		
Unrestricted grants in aid - state	\$3,550,631	\$3,131,798
Restricted grants in aid - federal and state	575,070	679,342
Student fees	59,557	52,432
Donations - unrestricted	9,554	38,056
Miscellaneous revenue	89,043	97,526
Interest earned	121,714	64,597
	<hr/>	<hr/>
Total public support revenues and other support	4,405,568	4,063,751
Expenses:		
Administrative expenses	399,156	286,407
Program expenses	2,995,997	2,334,361
Fund raising expenses	24,572	13,110
	<hr/>	<hr/>
Total expenses	3,419,725	2,633,878
	<hr/>	<hr/>
Increase (decrease) in net assets	985,843	1,429,873
Net assets at beginning of period	<hr/>	<hr/>
	5,813,640	4,383,768
Net assets at end of period	<hr/>	<hr/>
	\$6,799,483	\$5,813,640

See accompanying notes to financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Mansura, Louisiana
Statement of Cash Flow
For the years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Increase in net assets	\$985,843	\$1,429,873
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	229,311	94,127
(Increase) decrease in operating assets:		
Accounts/grants receivable	(4,994)	(88,697)
Accrued receivables	(9,451)	(5,318)
Other receivables	1,085	0
Increase (decrease) in operating liabilities:		
Accounts payable	(17,299)	(138,070)
Accrued expenses	42,081	35,261
Payable to others (activity funds)	24,829	5,200
	1,251,404	1,332,376
Net cash provided (used) by operating activities	1,251,404	1,332,376
Cash flows from investing activities:		
Payment for purchases of property and equipment	(5,532,027)	(4,705,548)
Payments for purchases of investments	(60,098)	(27,226)
Increases/(decreases) in contracts and retainages payable	(91,322)	1,234,940
	(5,683,447)	(3,497,834)
Net cash provided (used) by investing activities	(5,683,447)	(3,497,834)
Cash flows from financing activities:		
Proceeds from USDA financing	5,375,155	3,549,334
Payments of note principal	(290,034)	(89,968)
Increase/(decrease) in accrued interest payable	(37,551)	37,551
	5,047,570	3,496,917
Net cash provided (used) by financing activities	5,047,570	3,496,917
Net increase (decrease) in cash and cash equivalents	615,527	1,331,458
Cash and cash equivalents, Beginning of Year	2,637,608	1,306,150
Cash and cash equivalents, End of Year	\$3,253,135	\$2,637,608
 Disclosure:		
Interest expense	\$ 391,277	\$ 160,934

See accompanying notes to financial statements.

Avoyelles Public Charter School, Inc.
Mansura, Louisiana
Statement of Functional Expenses
For the years ended June 30, 2007 and 2006

Expenses:	<u>Administrative Expenses</u>	<u>Program Expenses</u>	<u>Fund Raising Expenses</u>	<u>2007 Total</u>	<u>2006 Total</u>
Salaries	\$225,522	\$1,283,935	\$0	\$1,509,458	\$1,295,035
Payroll taxes	4,040	17,361	0	21,401	17,627
Employee group insurance	37,185	158,592	0	195,777	185,733
Retirement fund contribution	44,734	206,425	0	251,159	203,889
Other employee benefits	2,048	8,738	0	10,786	21,684
Retirees' group benefits	0	12,840	0	12,840	0
Transportation	1,558	71,244	0	72,802	55,680
PIPS	0	1,340	0	1,340	0
Advertising	1,978	0	0	1,978	877
Depreciation expense	0	229,311	0	229,311	94,127
Dues and fees	105	50	0	155	1,705
Insurance	330	84,482	0	84,812	44,243
Repairs and maintenance	0	21,711	0	21,711	4,970
Audit/accounting services	57,300	0	0	57,300	55,430
Legal services	0	0	0	0	35
Other professional services	24,708	26,233	0	50,941	46,255
Miscellaneous expense	3,916	26,275	24,572	54,763	45,445
Bank charges and fees	1,883	12	0	1,895	593
Purchased educational services	0	18,988	0	18,988	57,460
Materials and supplies	67,825	82,875	0	150,700	89,199
Books and periodicals	0	21,130	0	21,130	44,697
Telephone and postage	14,030	0	0	14,030	11,171
Utilities	0	90,095	0	90,095	45,374
Food service management	0	155,076	0	155,076	151,715
Interest expense	0	391,277	0	391,277	160,934
Totals	\$487,162	\$2,907,990	\$24,572	\$3,419,725	\$2,633,878

See accompanying notes to financial statement.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements
June 30, 2007 and 2006

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, 2007 and 2006 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, 2007 and 2006

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 INVESTMENTS

At June 30, 2007 and 2006, cash and cash equivalents consisted of the following:

	<u>2007</u>	<u>2006</u>
Petty Cash	\$ 50	\$ 50
Cash in checking accounts	1,505,419	1,341,215
Short term investments	<u>1,747,666</u>	<u>1,296,343</u>
Total	<u>\$ 3,253,085</u>	<u>\$ 2,637,608</u>

At June 30, 2007 and 2006, the School holds investments totaling \$ 1,742,084 and \$1,681,986 respectively, as follows:

	<u>2007</u>		<u>2006</u>	
	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of Deposit	<u>\$ 1,742,084</u>	<u>\$ 1,742,084</u>	<u>\$ 1,681,986</u>	<u>\$ 1,681,986</u>
Total	<u>\$ 1,742,084</u>	<u>\$ 1,742,084</u>	<u>\$ 1,681,986</u>	<u>\$ 1,681,986</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, 2007, the School's deposits (bank balances) totaled \$4,969,949. These deposits are secured from risk by \$350,904 of federal deposit insurance. Of the remaining balance of \$4,619,045 was covered entirely by the pledge of securities (Category 3).

At June 30, 2006, the School's deposits (bank balances) totaled \$4,780,541. These deposits are secured from risk by \$367,593 of federal deposit insurance. Of the remaining balance of \$4,412,949, \$4,169,853 was secured by the pledge of securities (Category 3) and \$243,095 was unsecured.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2007 and 2006

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, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
United States Department of Education -		
IDEA/Special Education	\$ 83,090	\$ 75,011
IDEA/Preschool	2,147	2,111
Title I	256,662	186,937
Title II	34,091	26,063
Title IV	3,687	4,031
Title V	935	1,698
Small School Achievement Program	-	22,228
Temporary Emergency Impact Aid - Displaced Students	-	121,264
Louisiana Department of Education -		
LEAP 21 Tutoring/High Stakes Remediation	-	6,288
K-3 Reading/Math Initiative	40,000	3,586
Classroom Based Technology - PUBLIC	-	6,377
Louisiana State Board of Elementary and Secondary Education -		
8 G Superior Textbooks Programs	-	563
8 G Block Project	-	810
Other -		
Smart Kid Foundation Grant	-	2,340
E-Rate	4,286	2,089
	<u>\$ 424,898</u>	<u>\$ 461,397</u>

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2007 and 2006

NOTE D – FIXED ASSETS

A summary of fixed assets is as follows:

	Balance June 30,2006	Additions	Retirements	Balance June 30,2007
		\$		
Land and land improvements	\$ 503,501	1,013,949	\$ -	\$ 1,517,449
Buildings	1,971,614	10,357,012	-	12,328,626
Transportation equipment	45,800	-	-	45,800
Furniture and fixtures	57,837	179,680	-	237,517
Machinery and equipment	150,005	123,728	-	273,734
Construction in progress	6,142,343	4,214,669	10,357,012	0
Total Fixed Assets	8,871,100	15,889,038	10,357,012	14,403,126
Accumulated depreciation	(413,443)	(229,311)	-	(642,754)
Net Fixed Assets	\$ 8,457,657			\$ 13,760,372

	Balance June 30,2005	Additions	Retirements	Balance June 30,2006
Land and land improvements	\$ 467,040	\$ 36,460	\$ -	\$ 503,501
Buildings	1,971,614	-	-	1,971,614
Transportation equipment	45,800	-	-	45,800
Furniture and fixtures	54,777	3,060	-	57,837
Machinery and equipment	129,508	20,498	-	150,005
Construction in progress	1,496,813	4,645,530	-	6,142,343
Total Fixed Assets	4,165,552	4,705,548	-	8,871,100
Accumulated depreciation	(319,316)	(94,127)	-	(413,443)
Net Fixed Assets	\$ 3,846,236			\$ 8,457,657

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2007 and 2006

NOTE E – CURRENT PORTION LONG-TERM DEBT

A schedule of payments due within one year on long-term debt is as follows:

Current Portion Long-Term Debt:

Debt:	<u>Amount Due Within One Year</u>
USDA \$1,600,000 Loan	\$56,998
USDA \$500,000 Loan	17,891
USDA \$600,000 Loan	15,750
USDA \$2,200,000 Loan	33,769
USDA \$7,502,000 Loan	86,015
Qualified Zone Academy Bonds	36,196
	<u>\$246,620</u>

NOTE F – 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, 2007 and 2006, the school had outstanding principal balances of \$1,339,464 and \$1,388,107, respectively. Future debt service requirements are as follows:

Fiscal Year	*****\$1,600,000*****		
<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	56,998	61,658	118,656
2009	54,191	64,465	118,656
2010	57,034	61,622	118,656
2011	60,027	58,629	118,656
2012	63,177	55,479	118,656
2013 -2025	1,048,037	350,327	1,398,364
Totals	\$ 1,339,464	\$ 652,180	\$ 1,991,644

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2007 and 2006

NOTE F – LONG-TERM NOTE PAYABLE (Continued)

United States Department of Agriculture

By resolution of the Board of Directors on September 17, 2004, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$1,100,000 for the purpose of financing the cost of Phase II of the Campus Improvement Project which consisted of construction of entrance road, parking, site grading, drainage, and utilities. On March 8, 2005, the Board of Directors entered into two separate security agreements with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$600,000 and \$500,000, each at an interest rate of 4.5% payable over twenty-five years. At June 30, 2007 and 2006, the school had and combined outstanding principal balances of \$ 977,246 and \$ 996,078, respectively. Future debt service requirements are as follows:

Fiscal Year	*****\$600,000*****		
<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	15,750	24,282	40,032
2009	14,793	25,239	40,032
2010	15,473	24,559	40,032
2011	16,184	23,848	40,032
2012	16,927	23,105	40,032
2013-2031	504,206	241,338	745,544
	\$583,333	\$362,371	\$945,704

Fiscal Year	*****\$500,000*****		
<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	17,891	16,249	34,140
2009	17,579	16,561	34,140
2010	18,386	15,754	34,140
2011	19,231	14,909	34,140
2012	20,114	14,026	34,140
2013-2024	300,712	82,966	383,677
	\$393,913	\$160,465	\$554,377

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2007 and 2006

NOTE F – LONG-TERM NOTE PAYABLE (Continued)

United States Department of Agriculture

By resolution of the Board of Directors on August 30, 2005, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$7,502,000, for the purpose of financing the cost of Phase IV of the Campus Improvement Project which consists of construction of the high school building, gymnasium and performing arts building. On August 30, 2005, the Board of Directors entered into a security agreement with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$7,502,000 at an interest rate of 4.125% payable over forty years. At June 30, 2007 and 2006 the school had an outstanding balances of \$7,410,157 and \$3,376,010, respectively. Future debt service requirements are as follows:

Fiscal Year	*****\$7,502,000*****		
<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	86,015	301,993	388,008
2009	87,530	300,478	388,008
2010	91,209	296,799	388,008
2011	95,044	292,964	388,008
2012	99,039	288,969	388,008
2013-2045	6,951,320	5,705,531	12,656,850
	\$7,410,157	\$7,186,733	\$14,596,890

United States Department of Agriculture

By resolution of the Board of Directors on August 30, 2005, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$2,200,000, for the purpose of financing the cost of Phase IV of the Campus Improvement Project which consists of construction of the high school building, gymnasium and performing arts building. On August 30, 2005, the Board of Directors entered into a security agreement with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$2,200,000 at an interest rate of 4.125% payable over forty years. At June 30, 2007 the school had an outstanding balances of \$1,163,745. Future debt service requirements are pending completion of drawdown of cash advances on loan, projected debt service requirements are as follows:

Fiscal Year	*****\$2,200,000*****		
<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	33,769	80,015	113,784
2009	28,038	85,746	113,784
2010	29,217	84,567	113,784
2011	30,445	83,339	113,784
2012	31,725	82,059	113,784
2013-2042	1,972,011	1,495,575	3,467,586
	\$2,125,205	\$1,911,301	\$4,036,506

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2007 and 2006

NOTE F – 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, 2007 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:

Qualified Zone Academy Bonds (QZABS)				
Fiscal Year	<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2008	36,196	-	36,196
	2009	36,196	-	36,196
	2010	24,421	-	24,421
Totals		\$ 96,812	\$ -	\$ 96,812

NOTE G – 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 appropriable for expenses legally segregated for a specific future use.

USDA \$1,600,000 Loan - 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 amounts of \$82,145 and \$67,593 at June 30, 2007 and June 30, 2006 respectively and these funds are presented as restricted net assets on the financial statements.

USDA \$1,100,000 Loan – Future loan reserve requirements for the USDA Loan Resolution Security Agreement for the \$1,100,000 note will require the establishment of a Reserve account to be funded at the rate of \$517.00 each month until there is accumulated in that account the sum of \$62,040.00, after which deposits may be suspended except to replace withdrawals.

USDA \$7,502,000 Loan – Future loan reserve requirements for the USDA Loan Resolution Security Agreement for the \$7,502,000 note will require the establishment of a Reserve account to be funded at the rate of \$3,406.00 each month until there is accumulated in that account the sum of \$408,709.00, after which deposits may be suspended except to replace withdrawals.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2007 and 2006

NOTE G – NET ASSETS (CONTINUED)

Restricted (Continued)

USDA \$2,200,00 Loan – Future loan reserve requirements for the USDA Loan Resolution Security Agreement for the \$2,200,000 note will require the establishment of a Reserve account. This loan has not been closed out therefore the funding requirements have not been finalized.

When necessary, disbursements may be used for payments due on the note if sufficient funds are not available in the General or Debt Service account. With prior written approval of the Government, funds may be withdrawn for:

- 1) paying the cost of repairing or replacing any damage to the Facility which may have been caused by catastrophe, or 2) making extension or improvements to the facility.

NOTE H – CHANGES IN DESIGNATED AND RESTRICTED NET ASSETS

Designated and restricted account activities resulted in changes in net assets as follows:

	Net Assets 6/30/2006	Interest Earned	Additions	Reductions	Net Assets 6/30/2007
Designated	\$ 2,940,945	\$ 83,511	\$ 5,795,657	\$ (5,389,553)	\$ 3,430,560
Restricted	67,593	3,153	11,400	-	82,145
	\$ 3,008,538	\$ 86,663	\$ 5,807,057	\$ (5,389,553)	\$ 3,512,705

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 \$45,276 and \$ 20,695 at June 30, 2007 and 2006 respectively, 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.

AVOUELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2007 and 2006

NOTE J – 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 15.8 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, 2007, 2006, and 2005 were \$336,463, \$292,231, and \$274,669, 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.

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 19.6 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, 2007, 2006, and 2005 were \$11,171, \$8,217, and \$6,234, respectively, equal to the required contributions for each year.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2007 and 2006

NOTE K – COMPENSATED ABSENCES

The school has the following policy relating to annual leave:

Teachers and staff are allowed a maximum of 10 cumulative sick and/or personal days per year. These days will not carry over to the next year, but may, at the discretion of the board, be used for extended sick leave if an employee has a medical event that necessitates longer than 10 days of recovery, and permission is granted by the board of directors of Avoyelles Public Charter School. At the time of retirement, death or termination, no monies will be owed or paid to an employee for accumulated sick days. If an employee leaves the charter school to continue in another public school system, the accumulated days on record will be transferred to that system upon resignation from Avoyelles Public Charter School.

NOTE L – 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.

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 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 12 teachers 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 12 teachers 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.

No differences noted.

The iLEAP 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 19, 2007

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

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2007**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 881,541	
Other Instructional Staff Activities	6,055	
Employee Benefits	307,321	
Purchased Professional and Technical Services	16,583	
Instructional Materials and Supplies	77,344	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 1,288,844

Other Instructional Activities 108,305

Pupil Support Activities	9,333	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		9,333

Instructional Staff Services	30,806	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		30,806

School Administration	156,457	
Less: Equipment for School Administration	-	
Net School Administration		156,457

Total General Fund Instructional Expenditures \$ 1,593,745

Total General Fund Equipment Expenditures \$ -

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 2, 2006**

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	21	81%	1	4%	1	100%	0	0%
Master's Degree	4	15%	0	0%	0	0%	0	0%
Master's Degree + 30	0	0%	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%
Total	25	96%	1	4%	1	100%	0	0%

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA****Number and Type of Public Schools
For the Year Ended June 30, 2007**

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

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 2, 2006**

	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	0	0	0	0
Principals	0	0	1	0	0	0	0	1
Classroom Teachers	6	5	5	5	1	1	2	25
Total	6	5	6	5	1	1	2	26

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

**Public School Staff Data
For the Year Ended June 30, 2007**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 34,924.59	\$ 34,384.99
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 34,392.67	\$ 33,836.73
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	24.9751	22.105

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 2, 2006**

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	0%	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	9%	2	18%	4	73%	17	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, 2007**

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	1	2%	5	9%	1	2%	0	0%	1	2%	0	0%
Mastery	6	11%	11	20%	10	17%	7	13%	18	33%	7	12%
Basic	28	50%	29	54%	28	46%	32	57%	21	39%	33	55%
Approaching Basic	16	29%	8	15%	15	25%	13	23%	10	19%	14	23%
Unsatisfactory	5	8%	1	2%	6	10%	4	7%	4	7%	6	10%
Total	56	100%	54	100%	60	100%	56	100%	54	100%	60	100%

District Achievement Level Results	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	1	2%	0	0%	0	0%	3	6%	0	0%
Mastery	6	14%	9	19%	14	30%	5	12%	7	15%	16	34%
Basic	26	61%	20	42%	23	49%	28	65%	27	56%	26	56%
Approaching Basic	9	21%	16	33%	8	17%	9	21%	11	23%	3	6%
Unsatisfactory	2	4%	2	4%	2	4%	1	2%	0	0%	2	4%
Total	43	100%	48	100%	47	100%	43	100%	48	100%	47	100%

**AVOYELLES PUBLIC CHARTER SCHOOL
MANSURA, LOUISIANA**

**The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2007**

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10					N/A						N/A	
Advanced	1	3%	0	0%			2	6%	4	16%		
Mastery	8	23%	5	20%			7	20%	7	28%		
Basic	17	50%	15	60%			17	50%	12	48%		
Approaching Basic	4	12%	5	20%			2	6%	2	8%		
Unsatisfactory	4	12%	0	0%			6	18%	0	0%		
Total	34	100%	25	100%			34	100%	25	100%		

District Achievement Level Results	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11			N/A		N/A				N/A		N/A	
Advanced	0	0%					0	0%				
Mastery	7	23%					1	3%				
Basic	14	45%					21	68%				
Approaching Basic	9	29%					7	23%				
Unsatisfactory	1	3%					2	6%				
Total	31	100%					31	100%				

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

**The IOWA Tests
For the Year Ended June 30, 2007**

	Composite	
	2005	2004
Test of Basic Skills (ITBS)		
Grade 3	69%	53%
Grade 5	62%	63%
Grade 6	62%	48%
Grade 7	58%	64%
Tests of Educational Development (ITED)		
Grade 9	56%	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.

AVOUELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA

ILEAP Tests
For the Year Ended June 30, 2007 and 2008

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		Science 2007		Social Studies 2007		English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3																
Advanced	1	2%	0	0%	4	7%	3	5%	2	3%	2	3%	0	0%	0	0%
Mastery	12	22%	6	11%	6	11%	14	26%	13	22%	7	12%	7	12%	6	10%
Basic	30	55%	28	51%	31	55%	28	51%	28	49%	29	51%	28	48%	38	66%
Approaching Basic	12	21%	17	31%	14	25%	8	18%	7	12%	13	22%	19	33%	10	17%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	55	100%	55	100%	55	100%	55	100%	58	100%	58	100%	58	100%	58	100%

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		Science 2007		Social Studies 2007		English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5																
Advanced	3	6%	0	0%	0	0%	1	2%	1	2%	2	4%	1	2%	0	0%
Mastery	7	14%	9	17%	9	17%	4	8%	12	21%	7	13%	6	11%	4	7%
Basic	27	51%	25	49%	17	33%	30	57%	33	48%	27	48%	22	38%	25	45%
Approaching Basic	8	15%	9	17%	21	40%	13	25%	12	21%	12	21%	20	36%	17	30%
Unsatisfactory	7	14%	9	17%	5	10%	4	8%	7	13%	8	14%	7	13%	10	18%
Total	52	100%	52	100%	52	100%	52	100%	56	100%	56	100%	56	100%	56	100%

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		Science 2007		Social Studies 2007		English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6																
Advanced	0	0%	0	0%	0	0%	0	0%	1	2%	1	2%	0	0%	0	0%
Mastery	6	10%	7	12%	4	7%	2	3%	10	18%	7	13%	1	2%	2	4%
Basic	26	45%	35	60%	30	52%	31	54%	28	50%	27	48%	24	43%	26	46%
Approaching Basic	18	31%	11	19%	17	29%	18	31%	12	21%	12	21%	22	39%	18	32%
Unsatisfactory	8	14%	7	12%	7	12%	7	12%	5	9%	9	16%	9	16%	10	18%
Total	58	100%	58	100%	58	100%	58	100%	58	100%	56	100%	56	100%	56	100%

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		Science 2007		Social Studies 2007		English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7																
Advanced	2	4%	3	6%	0	0%	0	0%	3	6%	1	2%	2	4%	0	0%
Mastery	8	15%	6	12%	5	10%	3	5%	9	19%	3	6%	4	8%	5	10%
Basic	22	42%	31	60%	21	40%	31	60%	23	48%	33	69%	23	49%	28	58%
Approaching Basic	18	35%	7	13%	19	36%	14	27%	13	27%	6	13%	14	28%	9	19%
Unsatisfactory	2	4%	5	9%	7	14%	4	8%	0	0%	5	10%	5	10%	6	13%
Total	52	100%	52	100%	52	100%	52	100%	48	100%	48	100%	48	100%	48	100%

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		English Language Arts 2008		Mathematics 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9								
Advanced	2	5%	4	10%	3	9%	5	15%
Mastery	9	21%	6	14%	6	23%	3	9%
Basic	21	50%	20	48%	18	53%	20	58%
Approaching Basic	8	19%	4	9%	3	9%	5	15%
Unsatisfactory	2	5%	8	19%	2	6%	1	3%
Total	42	100%	42	100%	34	100%	34	100%

INFORMATION REQUIRED BY OMB CIRCULAR A-133

**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 AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PORGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

I have audited the compliance of Avoyelles Public Charter School, Inc. (a nonprofit organization) with types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Avoyelles Public Charter School, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Avoyelles Public Charter School's management. My responsibility is to express an opinion on Avoyelles Public Charter School's compliance based on my audit.

I conducted my 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Avoyelles Public Charter School's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Avoyelles Public Charter School's compliance with those requirements.

In my opinion, Avoyelles Public Charter School, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control over Compliance

The management of Avoyelles Public Charter School, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Avoyelles Public Charter School's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Avoyelles Public Charter School, Inc.'s internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses as defined above.

This report is intended solely for the information and use of management, Board of Directors, and federal awarding agencies and the State of Louisiana and is not intended to be and should not be used by anyone other these specified parties.

W. Kathleen Beard, CPA

December 19, 2007

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Mansura, Louisiana
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2007

<u>Federal Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:			
Direct Programs:			
Rural Development - Community Facilities			
Loans and Grants	10.766	-	\$5,375,155
Pass-through programs from:			
Louisiana Department of Education -			
National School Lunch Program	10.555	-	104,280
U.S. Department of Education			
Direct Programs:			
Rural Education Achievement Program (REAP)	84.358A	-	18,090
Pass-through programs from:			
Louisiana Department of Education -			
Title I - Grants to Local Educational Agencies -			
Part A - Basic	84.010A	28-05-T1-7A	256,662
Special education Grants to States - IDEA Part B	84.027A	28-05-B1-7A	83,090
Special education Preschool Grants	84.173A	28-05-P1-7A	2,147
Title IV - Safe & Drug-Free Schools & Communities	84.186A	28-05-70-7A	3,687
Title V - Innovative Education Program Strategies	84.298A	28-05-80-7A	935
Title II - Teacher & Principal Training & Recruitment Fund	84.367A	28-05-50-7A	34,091
Educational Technology State Grants			
Enhancing Education Through Technology	84.318X	28-06-49-7A	3,731
The Universal Service Administrative Company (USAC)			
Federal Communications Commission (FCC)			
Universal Service Fund - Schools & Libraries (E-Rate)	N/A		9,086
Total expenditures of federal awards			<u><u>\$5,890,954</u></u>

Notes to Schedule of Expenditures of Federal Awards:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Avoyelles Public Charter School, Inc. and is presented on the accrual basis of accounting.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Summary Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

I have audited the basic financial statements of Avoyelles Public Charter School, Inc., as of and for the year ended June 30, 2007, and have issued my report thereon dated December 19, 2007. 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 and the provisions of OMB Circular A-133. My audit of the financial statements as of June 30, 2007 resulted in an unqualified opinion.

Section I – Summary of Auditor’s Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Compliance

Compliance Material to the Financial Statements Yes No

Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion on Compliance For Major Programs

Unqualified Qualified Disclaimer Adverse

The programs tested as major programs included:

USDA Rural Development - Communities and Facilities Loans and Grants, CFDA No. 10.766

The threshold for distinguishing Type A and B programs was \$300,000.

Avoyelles Public Charter School, Inc. was determined not to be a low-risk auditee.

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? Yes No

Was a management letter issued? Yes No

Section II – Financial Statement Findings

There were no findings.

Section III – Management Letter

No management letter issued.

**Avoyelles Public Charter School, Inc.
Summary Schedule of Prior Year Findings
Year Ended June 30, 2007**

Section I – Internal Control and Compliance Material to the Financial Statements Required by Government Auditing Standards

2006 -1: Condition: At June 30, 2006, securities pledged by Cottonport Bank were insufficient to adequately collateralize the school's deposits. The deficiency was \$243,095.

Management's Resolution: Condition has been corrected. Management notified the bank of this deficiency and the bank has taken the following steps to correct the problem:

1. Corrected the designation of the construction account as a public funds account and is now included in the report used to monitor deposit collateral.
2. Monitor the school's deposits on a daily basis, particularly the construction account.
3. For added protection, the bank pledged additional securities as a cushion to cover any possible deficiencies in the future, particularly during the construction project.

Section II – Internal Control and Compliance Material to Federal Awards

No findings noted.

Section III – Management Letter

No management letter issued