

RECEIVED  
LEGISLATIVE AUDITOR  
2002 DEC 23 AM 11:21

DELHI CHARTER SCHOOL  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

June 30, 2002

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 1/22/03

C O N T E N T S

PAGE

|  |    |
|--|----|
| INDEPENDENT AUDITORS' REPORT   | 3  |
| FINANCIAL STATEMENTS   |    |
| STATEMENT OF FINANCIAL POSITION  | 4  |
| STATEMENT OF ACTIVITIES  | 5  |
| STATEMENT OF CASH FLOWS  | 6  |
| NOTES TO FINANCIAL STATEMENTS  | 7  |
| SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 PERFORMANCE<br>AND STATISTICAL DATA):   |    |
| AGREED-UPON PROCEDURES REPORT  | 13 |
| GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES<br>AND CERTAIN LOCAL REVENUE SOURCES   | 19 |
| EDUCATION LEVELS OF PUBLIC SCHOOL STAFF  | 20 |
| NUMBER AND TYPE OF PUBLIC SCHOOLS  | 21 |
| EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME<br>CLASSROOM TEACHERS  | 22 |
| PUBLIC SCHOOL STAFF DATA   | 23 |
| CLASS SIZE CHARACTERISTICS   | 24 |
| LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)  | 25 |
| THE GRADUATION EXIT EXAM   | 26 |
| THE IOWA TESTS   | 27 |
| SUPPLEMENTAL INFORMATION   |    |
| SCHEDULE OF BOARD OF DIRECTORS   | 29 |
| REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER<br>FINANCIAL STATEMENTS BASED ON AN AUDIT PERFORMED IN<br>ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 30 |

# Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

*Certified Public Accountants*

P.O. Box 3790

Covington, Louisiana 70434-3790

Samuel K. Smith, CPA  
Patrick "Bryan" Huval, CPA

(985) 892-6633 - Covington  
(985) 892-4666 - FAX

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
of Delhi Charter School  
Delhi, Louisiana

We have audited the accompanying statement of financial position of Delhi Charter School (a nonprofit organization) as of June 30, 2002 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delhi Charter School as of June 30, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

An audit was performed for the purpose of forming an opinion on the financial statements of Delhi Charter School. The accompanying supplemental information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied to the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 2002, on our consideration of Delhi Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Smith, Huval & Associates, L.L.C.*

November 14, 2002

DELHI CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION  
June 30, 2002

ASSETS

|                                   |                   |
|-----------------------------------|-------------------|
| Current Assets                    |                   |
| Cash and cash equivalents         | \$ 308,764        |
| Grants receivable                 | <u>129,911</u>    |
| Total current assets              | 438,675           |
| <br>                              |                   |
| Property, Plant and Equipment     |                   |
| Land                              | 93,000            |
| Furniture and equipment           | 47,497            |
| Buildings and improvements        | 44,604            |
| Buses                             | 39,000            |
| Software                          | <u>44,800</u>     |
| Total at cost                     | 268,901           |
| Less accumulated depreciation     | <u>22,437</u>     |
| Net property, plant and equipment | <u>246,464</u>    |
| <br>                              |                   |
| Other Assets                      |                   |
| Construction in progress          | <u>19,500</u>     |
|                                   | <u>\$ 704,639</u> |

LIABILITIES AND NET ASSETS

|   |                   |
|---|-------------------|
| Current Liabilities                             |                   |
| Accounts payable                                | \$ 6,960          |
| Accrued expenses                                | 150,947           |
| Due to the Louisiana Department<br>of Education | <u>28,300</u>     |
| Total current liabilities                       | 186,207           |
| <br>  |                   |
| Net assets - unrestricted                       | <u>518,432</u>    |
|   | <u>\$ 704,639</u> |

The accompanying notes are an integral part of this statement.

DELHI CHARTER SCHOOL

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2002

|                                    | <u>Unrestricted</u> |
|------------------------------------|---------------------|
| Support and Revenue                |                     |
| State public school funding        | \$ 1,315,007        |
| Other state funding                | 114,866             |
| Federal sources                    | 141,804             |
| Donations                          | 153,033             |
| Other income                       | <u>47,581</u>       |
| Total support and revenue          | 1,772,291           |
| Expenses                           |                     |
| Instruction                        |                     |
| Regular education programs         | 655,100             |
| Special education programs         | 124,950             |
| Other instructional programs       | 71,616              |
| Support services                   |                     |
| School administration              | 93,549              |
| Business services                  | 29,311              |
| Operation and maintenance of plant | 58,477              |
| Pupil transportation               | 45,427              |
| Central services                   | 605                 |
| Food service                       | 150,607             |
| Facilities acquisition             | 1,780               |
| Depreciation                       | <u>22,437</u>       |
| Total expenses                     | <u>1,253,859</u>    |
| Change in net assets               | 518,432             |
| Net assets - beginning             | <u>-</u>            |
| Net assets - ending                | <u>\$ 518,432</u>   |

The accompanying notes are an integral part of this statement.

DELHI CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2002

|   |                    |
|---|--------------------|
| Cash Flows From Operating Activities  |                    |
| Increase in net assets  | \$ 518,432         |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: |                    |
| Depreciation  | 22,437             |
| Contribution of land, buildings and equipment (non-cash)                                      | (126,398)          |
| Increase in grants receivable   | (129,911)          |
| Increase in accounts payable  | 6,960              |
| Increase in accrued expenses  | 150,947            |
| Increase in due to Louisiana Department of Education  | <u>28,300</u>      |
| Total adjustments   | <u>(47,665)</u>    |
| Net cash provided by operating activities   | 470,767            |
| Cash Flows From Investing Activities  |                    |
| Purchase of fixed assets  | (142,503)          |
| Construction of facilities  | <u>(19,500)</u>    |
| Net cash used by investing activities   | (162,003)          |
| NET INCREASE IN CASH AND CASH EQUIVALENTS   | 308,764            |
| Cash and cash equivalents at beginning of year  | <u>          -</u> |
| Cash and cash equivalents at end of year  | <u>\$ 308,764</u>  |

The accompanying notes are an integral part of this statement.

DELHI CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Delhi Charter School (the School) was created as a non-profit corporation under the laws of the State of Louisiana on January 8, 2001. The School entered into a Charter School Contract with the Louisiana State Board of Elementary and Secondary Education beginning July 1, 2001 whereby the School would operate a Type II charter school as defined in LSA R.S. 17:3971, et. seq. The School serves eligible students in grades kindergarten through eighth grade primarily in the parish of Richland.

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Financial Statement Presentation

The School follows the guidance of Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose restrictions.

2. Basis of Accounting

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

3. Revenues

The School's primary source of funding is through the State Public School Fund. The School receives \$5,660 per eligible student in attendance on October 1, payable in monthly installments. The October 1 student count is audited by the Louisiana Department of Education. Adjustments are made in the following year. State and federal grants are on a cost reimbursement basis. Accrual is made when eligible expenses occur. At June 30, 2002, a liability was recorded of \$28,300 for preliminary disallowments in the student count performed by the Louisiana Department of Education.

DELHI CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments which naturally add to the value of related assets or materially extend the useful life of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School.

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense totaled \$22,437 for the year ended June 30, 2002. The following are the estimated useful lives of the fixed assets of the School:

|                          | <u>Useful Lives</u> |
|--------------------------|---------------------|
| Portable School Building | 5                   |
| Furniture and equipment  | 5-7                 |
| Equipment                | 5-7                 |

5. Income Taxes

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization.

6. Statement of Cash Flows

For purposes of the statement of cash flows, the School considers all investments purchased with an original maturity of three months or less to be a cash equivalent.

7. Use of Estimates

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

8. Concentrations

The School received 81% of its revenues in the year ended June 30, 2002 from the State of Louisiana subject to its charter agreement with the State.

Financial instruments that potentially subject the School to concentrations of credit risk consists of cash in excess of federally insured limits of \$254,905.



DELHI CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

NOTE B - CASH AND INVESTMENTS

As of June 30, 2002, cash consisted of demand deposits in local banks of \$308,764.

NOTE C - GRANTS RECEIVABLE

As of June 30, 2002, grants receivable consisted of amounts due from the following sources:

|                            |                   |
|----------------------------|-------------------|
| Special education          | \$ 20,086         |
| IASA grants                |                   |
| Title I                    | 70,210            |
| Title II                   | 2,107             |
| Title IV                   | 1,195             |
| Title VI                   | 1,431             |
| State Charter School Grant | 25,000            |
| LEAP remediation           | 8,565             |
| PIP                        | <u>1,317</u>      |
|                            | <u>\$ 129,911</u> |

NOTE D - INSURANCE COVERAGE

As of June 30, 2002, the School had the following insurance policies in effect:

| <u>Type of Coverage</u> | <u>Expiration</u> | <u>Coverage Limits</u>   |
|-------------------------|-------------------|--|
| General liability       | August 17, 2002   | Aggregate \$2,000,000<br>Each occur. \$2,000,000<br>Injury \$2,000,000 |
| Automotive liability    | August 17, 2002   | Combined \$1,000,000   |
| Professional liability  | August 20, 2002   | Aggregate \$1,000,000<br>Deductible \$25,000                           |
| Property                | August 17, 2002   | Buildings \$150,000<br>Buses \$39,000                                  |
| Workmen's Compensation  | August 17, 2002   | Statutory  |

DELHI CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

NOTE E - ANNUAL FINANCIAL REPORT RECONCILIATION

The School has submitted an Annual Financial Report to the Louisiana Department of Education for the year ended June 30, 2002. The following is a reconciliation between total expenses reported on the Annual Financial Report and total expenses presented in these financial statements:

|  |                     |
|--|---------------------|
| Total expenses per Annual Financial Report | \$ 1,388,919        |
| Reconciling items:                         |                     |
| Capitalization of fixed assets             | (161,997)           |
| Accrual of accounts payable                | 4,500               |
| Depreciation of fixed assets               | <u>22,437</u>       |
| Total expenses                             | <u>\$ 1,253,859</u> |

NOTE F - RETIREMENT PLANS

Substantially all employees of the School are members of the Teachers' Retirement System of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information, relative to the plan follows:

Teachers' Retirement System of Louisiana (TRS)

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

**Funding policy:** Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. The current rate is 13.1% of annual eligible covered payroll. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement System's Actuarial Committee. The School's contributions to the plan for the year ended June 30, 2002 was \$76,302, equal to the required contribution for the year.

DELHI CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS

June 30, 2002

NOTE G - FIXED ASSETS

Depreciation expense for the year ended June 30, 2002 was \$22,437.

All assets acquired with Department of Education funds are owned by the school while used in the purpose for which it was purchased. The Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

NOTE H - COMMITMENT

The School has contracted with a construction contractor to build its permanent facility. Total contract price was \$1,500,000. No payments had been incurred at June 30, 2002.

SCHEDULES REQUIRED BY STATE LAW  
(R S 24 514 PERFORMANCE AND STATISTICAL DATA)

# Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

*Certified Public Accountants*

P.O. Box 3790

Covington, Louisiana 70434-3790

Samuel K. Smith, CPA  
Patrick "Bryan" Huval, CPA

(985) 892-6633 - Covington  
(985) 892-4666 - FAX

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES TO THE MANAGEMENT OF DELHI CHARTER SCHOOL

To the Board of Directors  
of Delhi Charter School  
Delhi, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Delhi Charter School and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Delhi Charter School 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. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

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

Findings:

None

To the Board of Directors  
of Delhi Charter School

Education Levels of Public School Staff (Schedule 2)

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

Findings:

None

Number and Type of Public Schools (Schedule 3)

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

Findings:

None

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

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

Findings:

None

To the Board of Directors  
Delhi Charter School

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced each 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.

Findings:

None

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

Findings:

None

Class Size Characteristics (Schedule 6)

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

Findings:

None

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

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Delhi Charter School.

Findings:

None

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

11. Not applicable.

To the Board of Directors  
Delhi Charter School

The IOWA Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Delhi Charter School.

Findings:

None

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

This report is intended solely for the use of management of Delhi Charter School, *the Louisiana Department of Education, the Louisiana Legislature*, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Smith, Havel & Associates, L.L.C.*

November 14, 2002



DELHI CHARTER SCHOOL

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

As of and for the Year Ended June 30, 2002

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

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

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 4 - Experience of Public Teachers and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data**

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 - The Graduation Exit Exam**

Not applicable.

DELHI CHARTER SCHOOL

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

As of and for the Year Ended June 30, 2002

**Schedule 9 - The IOWA Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

DELHI CHARTER SCHOOL

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES  
AND CERTAIN LOCAL REVENUE SOURCES

For the Year Ended June 30, 2002

Schedule 1

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures

Teacher and Student Interaction Activities.

|  |    |              |         |
|--|----|--------------|---------|
| Classroom Teacher Salaries                       | \$ | 509,838      |         |
| Other Instructional Staff Activities             |    | 30,898       |         |
| Employee Benefits                                |    | 125,870      |         |
| Purchased Professional and Technical Services    |    | 30,408       |         |
| Instructional Materials and Supplies             |    | 31,674       |         |
| Instructional Equipment                          |    | <u>2,239</u> |         |
| Total Teacher and Student Interaction Activities | \$ |              | 730,927 |

Other Instructional Activities

952

Pupil Support Activities

0

Less: Equipment for Pupil Support Activities

0

Net Pupil Support Activities

0

Instructional Staff Services

0

Less: Equipment for Instructional Staff Services

0

Net Instructional Staff Services

0

Total General Fund Instructional Expenditures

\$ 731,879

Total General Fund Equipment Expenditures

\$ 41,700

**Certain Local Revenue Sources**

Local Taxation Revenue:

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

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue

\$ 0

Nonpublic Transportation Revenue

\$ 0

DELHI CHARTER SCHOOL

EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

As of October 1, 2001

Schedule 2

| 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 |                              |                |                |                |                                   |                |                |         |
| Bachelor's Degree             | 9                            | 64.28%         | 1              | 100.00%        |                                   |                |                |         |
| Master's Degree               | 4                            | 28.57%         |                |                | 1                                 | 100.00%        |                |         |
| Master's Degree + 30          |                              |                |                |                |                                   |                |                |         |
| Specialist in Education       | 1                            | 7.15%          |                |                |                                   |                |                |         |
| Ph. D. or Ed. D.              |                              |                |                |                |                                   |                |                |         |
| <b>Total</b>                  | <b>14</b>                    | <b>100.00%</b> | <b>1</b>       | <b>100.00%</b> | <b>1</b>                          | <b>100.00%</b> |                |         |

DELHI CHARTER SCHOOL

NUMBER AND TYPE OF PUBLIC SCHOOLS

For the Year Ended June 30, 2002

Schedule 3

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

DELHI CHARTER SCHOOL

EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS

As of October 1, 2001

Schedule 4

|                      | 0-1 Yr.  | 2-3 Yrs. | 4-10 Yrs. | 11-14 Yrs. | 15-19 Yrs. | 20-24 Yrs. | 25+ Yrs. | Total     |
|----------------------|----------|----------|-----------|------------|------------|------------|----------|-----------|
| Assistant Principals |          |          |           |            |            |            |          | 0         |
| Principals           |          |          |           |            |            |            | 1        | 1         |
| Classroom Teachers   | 4        | 1        | 3         | 1          | 0          | 2          | 4        | 15        |
| <b>Total</b>         | <b>4</b> | <b>1</b> | <b>3</b>  | <b>1</b>   | <b>0</b>   | <b>2</b>   | <b>5</b> | <b>16</b> |

DELHI CHARTER SCHOOL  
 PUBLIC SCHOOL STAFF DATA  
 For the Year Ended June 30, 2002

Schedule 5

|  | <b>All Classroom<br/>Teachers</b> | <b>Classroom Teachers<br/>Excluding ROTC<br/>and Rehired Retirees</b> |
|--|-----------------------------------|---|
| <b>Average Classroom<br/>Teachers' Salary<br/>Including Extra Compensation</b>                       | <b>32,998</b>                     | <b>32,362</b>   |
| <b>Average Classroom<br/>Teachers' Salary<br/>Excluding Extra Compensation</b>                       | <b>29,754</b>                     | <b>29,194</b>   |
| <b>Number of Teacher Full-time<br/>Equivalent (FTEs) used in<br/>Computation of Average Salaries</b> | <b>16.75</b>                      | <b>14.75</b>  |

DELHI CHARTER SCHOOL

CLASS SIZE CHARACTERISTICS

As of October 1, 2001

Schedule 6

| School Type                      | Class Size Range |        |         |        |         |        |         |        |
|----------------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|
|                                  | 1 - 20           |        | 21 - 26 |        | 27 - 33 |        | 34+     |        |
|                                  | Percent          | Number | Percent | Number | Percent | Number | Percent | Number |
| Elementary                       | 47%              | 9      | 16%     | 3      | 5%      | 1      |         |        |
| Elementary Activity Classes      |                  |        | 11%     | 2      | 10%     | 2      | 11%     | 2      |
| Middle/Jr. High                  |                  |        |         |        |         |        |         |        |
| Middle/Jr. High Activity Classes |                  |        |         |        |         |        |         |        |
| High                             |                  |        |         |        |         |        |         |        |
| High Activity Classes            |                  |        |         |        |         |        |         |        |
| Combination                      |                  |        |         |        |         |        |         |        |
| Combination Activity Classes     |                  |        |         |        |         |        |         |        |



DELHI CHARTER SCHOOL

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

For the Year Ended June 30, 2002

Schedule 7

| District Achievement<br>Level Results | English Language Arts |             |        |         |        |         | Mathematics |             |        |         |        |         |
|---------------------------------------|-----------------------|-------------|--------|---------|--------|---------|-------------|-------------|--------|---------|--------|---------|
|                                       | 2002                  |             | 2001   |         | 2000   |         | 2002        |             | 2001   |         | 2000   |         |
|                                       | Number                | Percent     | Number | Percent | Number | Percent | Number      | Percent     | Number | Percent | Number | Percent |
| <b>Grade 4</b>                        |                       |             |        |         |        |         |             |             |        |         |        |         |
| Advanced                              | 0                     | 0%          |        |         |        |         | 0           | 0%          |        |         |        |         |
| Proficient                            | 3                     | 14%         |        |         |        |         | 2           | 10%         |        |         |        |         |
| Basic                                 | 7                     | 33%         |        |         |        |         | 9           | 42%         |        |         |        |         |
| Approaching Basic                     | 11                    | 53%         |        |         |        |         | 5           | 24%         |        |         |        |         |
| Unsatisfactory                        | 0                     | 0%          |        |         |        |         | 5           | 24%         |        |         |        |         |
| <b>Total</b>                          | <b>21</b>             | <b>100%</b> |        |         |        |         | <b>21</b>   | <b>100%</b> |        |         |        |         |

| District Achievement<br>Level Results | Science   |             |        |         |        |         | Social Studies |             |        |         |        |         |
|---------------------------------------|-----------|-------------|--------|---------|--------|---------|----------------|-------------|--------|---------|--------|---------|
|                                       | 2002      |             | 2001   |         | 2000   |         | 2002           |             | 2001   |         | 2000   |         |
|                                       | Number    | Percent     | Number | Percent | Number | Percent | Number         | Percent     | Number | Percent | Number | Percent |
| <b>Grade 8</b>                        |           |             |        |         |        |         |                |             |        |         |        |         |
| Advanced                              | 0         | 0%          |        |         |        |         | 0              | 0%          |        |         |        |         |
| Proficient                            | 3         | 23%         |        |         |        |         | 3              | 23%         |        |         |        |         |
| Basic                                 | 7         | 54%         |        |         |        |         | 7              | 54%         |        |         |        |         |
| Approaching Basic                     | 2         | 15%         |        |         |        |         | 3              | 23%         |        |         |        |         |
| Unsatisfactory                        | 1         | 8%          |        |         |        |         | 0              | 0%          |        |         |        |         |
| <b>Total</b>                          | <b>13</b> | <b>100%</b> |        |         |        |         | <b>13</b>      | <b>100%</b> |        |         |        |         |

---

DELHI CHARTER SCHOOL

THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

For the Year Ended June 30, 2002

Schedule 8

This schedule does not apply to Delhi Charter School.

DELHI CHARTER SCHOOL

THE IOWA TESTS

For the Year Ended June 30, 2002

Schedule 9

|  | <b>Composite</b> |      |      |
|--|------------------|------|------|
|  | 2002             | 2001 | 2000 |
|  |                  |      |      |
| <b>Test of Basic Skills (ITBS)</b>             |                  |      |      |
| Grade 3  | 46               | N/A  | N/A  |
| Grade 5  | 65               | N/A  | N/A  |
| Grade 6  | 54               | N/A  | N/A  |
| Grade 7  | 40               | N/A  | N/A  |
|  |                  |      |      |
| <b>Tests of Educational Development (ITED)</b> |                  |      |      |
| Grade 9  | N/A              |      |      |

---

SUPPLEMENTAL INFORMATION

---

DELHI CHARTER SCHOOL  
SCHEDULE OF BOARD OF DIRECTORS

June 30, 2002

BOARD MEMBERS

COMPENSATION

Albert Christman, Chairman of Board  
121 Cedar Lane  
Delhi, LA 71232  
318-878-9536

-0-

Vicki Cruse  
206 Cedar Lane  
Delhi, LA 71232  
318-878-6561

-0-

Robert Johnson  
401 Race Street  
Delhi, LA 71232  
318-878-9050

-0-

Dr. Dorothy Bradley  
111 Mississippi Street  
Delhi, LA 71232  
318-878-2520

-0-

Marilyn Loftin  
Frankie Loftin Road  
Delhi, LA 71232  
318-878-3457

-0-

Jimmy Strong  
5687 Highway 17  
Delhi, LA 71232  
318-878-9394

-0-

Barbara Dawson  
350 Lake Anne Road  
Delhi, LA 71232  
318-878-8839

-0-

# Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

*Certified Public Accountants*

P.O. Box 3790

Covington, Louisiana 70434-3790

Samuel K. Smith, CPA  
Patrick "Bryan" Huval, CPA

(985) 892-6633 - Covington  
(985) 892-4666 - FAX

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

To the Board of Directors  
of Delhi Charter School

We have audited the financial statements of Delhi Charter School (a nonprofit organization) as of and for the year ended June 30, 2002 and have issued our report thereon dated November 14, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Delhi Charter School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, the Board of Directors, the Louisiana Legislative Auditor and the Louisiana Department of Education and is not intended for and should not be used by other than those specified parties.

*Smith, Huval & Associates, L.L.C.*

November 14, 2002