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**LAKE FOREST ELEMENTARY CHARTER SCHOOL
FINANCIAL STATEMENTS
JUNE 30, 2009**

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 2/3/10

LAKE FOREST ELEMENTARY CHARTER SCHOOL

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LAKE FOREST ELEMENTARY CHARTER SCHOOL

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Silva Gurtner & Abney

Certified Public Accountants & Consultants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lake Forest Elementary Charter School
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Lake Forest Elementary Charter School (the School) as of June 30, 2009 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 Lake Forest Elementary Charter School as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 2009, on our consideration of Lake Forest Elementary Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the 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 our audit.

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The schedules required by Louisiana State Law, included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Lake Forest Elementary Charter School taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 also 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 our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Silva Gurtner & Abney, LLC

September 25, 2009

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Statement of Financial Position
 June 30, 2009

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 2,239,649
Grants Receivable	889,329
Prepaid Expenses	<u>35,143</u>
Total Current Assets	<u>3,164,121</u>
Property and Equipment	
Furniture and Equipment	61,811
Leasehold Improvements	<u>11,025</u>
Total at Cost	72,836
Less: Accumulated Depreciation	<u>(19,141)</u>
Net Property and Equipment	<u>53,695</u>
Total Assets	<u><u>\$ 3,217,816</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	\$ 11,900
Accrued Salaries and Benefits	25,200
Funds Held for Others	<u>580</u>
Total Liabilities	<u>37,680</u>
Net Assets	
Unrestricted	<u>3,180,136</u>
Total Net Assets	<u>3,180,136</u>
Total Liabilities and Net Assets	<u><u>\$ 3,217,816</u></u>

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2009**

Revenue, Grants and Other Support	
State Public School Funding	\$ 3,520,917
Federal Grants	780,868
Other Income	255,402
Donations	62,100
Other State Funding	<u>50,151</u>
Total Revenue, Grants and Other Support	<u>4,669,438</u>
Expenses	
Program Services	
Regular Education Programs	1,808,898
Operation and Maintenance	335,741
School Administration	321,841
Special Education Programs	309,073
Instructional Staff Services	284,198
Pupil Support Services	195,600
Food Services Operations	162,732
Other Instructional Programs	93,212
Depreciation	10,411
Special Programs	8,235
Management and General	
Business Services	351,351
General Administration	36,936
Fundraising	<u>32,648</u>
Total Expenses	<u>3,950,876</u>
Change in Net Assets	718,562
Net Assets, Beginning of Year	<u>2,461,574</u>
Net Assets, End of Year	<u><u>\$ 3,180,136</u></u>

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Statement of Cash Flows
 For the Year Ended June 30, 2009**

Cash Flows Provided by Operating Activities	
Change in Net Assets	\$ 718,562
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	10,411
(Increase) Decrease in:	
Grants Receivable	556,164
Prepaid Expenses	(35,143)
Increase (Decrease) in:	
Accounts Payable	(266,241)
Accrued Salaries and Benefits	25,200
Funds Held for Others	580
	<u>1,009,533</u>
Net Cash Provided by Operating Activities	
Cash Flows Used In Investing Activities	
Purchase of Furniture and Equipment	<u>(25,237)</u>
	<u>(25,237)</u>
Net Cash Used in Investing Activities	
Net Increase in Cash and Cash Equivalents	984,296
Cash and Cash Equivalents, Beginning of Year	<u>1,255,353</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,239,649</u>

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Lake Forest Elementary Charter School (the School) was organized as a non-profit corporation under the laws of the State of Louisiana on March 14, 2006. The School entered into a Charter School Contract with the Orleans Parish School Board beginning January 6, 2006, whereby the School would operate a Type III charter school as defined in Louisiana Revised Statute 17:3971, et. seq. The charter was granted for a minimum of five years. The School serves eligible students in pre-kindergarten through eighth grade in Orleans Parish.

The formation of the School was in response to the devastation left by Hurricane Katrina. Accordingly, the State of Louisiana Recovery School District is allowing the School to operate in the building formerly used by the Frances Gaudet Elementary School (a school of the Orleans Parish School Board) rent free under a lease renewable annually.

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

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. Restricted contributions, for which the restriction is met in the same year, are classified as unrestricted.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. All significant receivables, payables, and other liabilities are reflected.

Revenues

The School's primary source of funding is through the State Public School Fund and the Orleans Parish School Board. The School receives \$3,509 from the State and \$4,396 from the School Board per eligible student in attendance on October 1st, payable in monthly installments. The State's portion is passed through the School Board. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses occur.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Grants Receivable

The School received various State and Federal grants to fund programs and operations. The grants are on a reimbursement basis and grants receivable at year end are stated at unpaid balances for expenditures incurred during the year.

The receivables are stated at the amount management expects to collect from the outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts, as management believes all remaining balances are fully collectible.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Property and equipment are recorded at historical cost or estimated historical cost if historical cost is not available. Normal building maintenance and minor equipment purchases are included as expenses of the School.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense totaled \$10,411 for the year ended June 30, 2009. The following are the estimated useful lives of the assets of the School:

Leasehold Improvements	10 Years
Furniture and Equipment	5 - 7 Years

All assets acquired with Department of Education funds are owned by the School while used for the purpose in which they were 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.

Income Taxes

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

Advertising

Advertising costs are expensed as incurred.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the School considers all liquid investments purchased with an original maturity of three months or less to be cash equivalents. Certificates of deposit are considered to be cash if interest penalties for early withdrawal are not material.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Note 2. Concentrations

The School received 76% of its revenues from State funding passed through the Orleans Parish School Board for the year ended June 30, 2009, subject to its charter school contract, and 17% of its funding from Federal sources passed through the School Board for the year ended June 30, 2009.

The School periodically maintains cash in bank accounts in excess of insured limits. The School has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Note 3. Cash and Cash Equivalents

As of June 30, 2009, the carrying value of cash consisted of demand deposits, certificates of deposits, and money market funds in local banks of \$2,239,649.

Note 4. Grants Receivable

As of June 30, 2009, grants receivable consisted of amounts due from the following sources:

Federal Title I, II, IV, and V Grants	\$ 536,943
Federal Charter School Grants	177,622
Federal Hurricane Relief Grants	<u>174,764</u>
Total	<u>\$ 889,329</u>

Note 5. Retirement Plans

Substantially all employees of the School are members of the Teachers' Retirement System of Louisiana or 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 the plan follows:

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 5. Retirement Plans (Continued)

Teachers' Retirement System of Louisiana (TRSL)

Plan Description

The TRSL provides retirement benefits as well as disability and survivor benefits. Five 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 TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. 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 15.5% of annual eligible covered payroll for the year ended June 30, 2009. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the years ended June 30, 2009, 2008, and 2007, were \$318,985, \$305,261, and \$176,787, respectively, which is equal to the required contribution.

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, P.O. Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy

Plan members are required to contribute 7.5% of their annual covered salary. The School is required to contribute at an actuarially determined rate. The current rate is 17.8% of annual covered salary for the year ended June 30, 2009. 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 contribution to the plan for the years ended June 30, 2009, 2008, and 2007 were \$18,322, \$12,033, and \$4,292, respectively, which is equal to the required contribution.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 6. Leases

The School entered into a lease agreement with the Louisiana State Department of Education, Recovery School District (RSD) for the use of property located at 12000 Hayne Blvd, New Orleans, LA 70128 for the purposes of conducting classes and related academic activities. RSD agreed to forgo the payment of rent under the agreement while the School cares for and maintains the property. The agreement will expire on June 30, 2010 and can be renewed for an additional year.

Use of the property is not recorded as an in-kind contribution from RSD and related rent expenses. The value of the use of the land and buildings is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from the agreement. Accordingly, the present value of the benefit to be received in the future years has not been recorded.

Note 7. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 25, 2009, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Lake Forest Elementary Charter School
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Lake Forest Elementary 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 Lake Forest Elementary 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). Management of Lake Forest Elementary Charter School is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

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

Findings: None

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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, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.
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 a random sample of 5 teachers to the individual's personnel file and determined 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, Assistant 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

Public School 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 a random sample of 5 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.

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)
(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 Lake Forest Elementary Charter School.

Findings: None

Graduation Exit Exam (GEE) (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Lake Forest Elementary Charter School.

Findings: Not applicable

iLEAP 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 Lake Forest Elementary 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, the Board of Directors, the Louisiana Legislative Auditor, the Louisiana Department of Education, and the Orleans Parish School Board, 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.

Silva Gurtner & Abney, LLC

September 25, 2009

LAKE FOREST ELEMENTARY CHARTER SCHOOL
Schedules Required by State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2009

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 non-public 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 principals 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 Principals, Assistant Principals, 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.

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, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Exam

Not applicable.

Schedule 9 - ILEAP Test Results

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

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2009**

General Fund Instructional and Equipment Expenditures	
General Fund Instructional Expenditures	
Teacher and Student Interaction Activities	
Classroom Teacher Salaries	\$ 1,402,701
Other Instructional Staff Salaries	45,266
Instructional Staff Employee Benefits	286,865
Instructional Materials and Supplies	79,118
Instructional Equipment	<u>33,290</u>
Total Teacher and Student Interaction Activities	\$ 1,847,240
Other Instructional Activities	9,151
Pupil Support Services	180,708
Less: Equipment for Pupil Support Services	<u>-</u>
Net Pupil Support Services	180,708
Instructional Staff Services	99,792
Less: Equipment for Instructional Staff Services	<u>-</u>
Net Instructional Staff Services	99,792
School Administration	321,689
Less: Equipment for School Administration	<u>(405)</u>
Net School Administration	<u>321,284</u>
Total General Fund Instructional Expenditures	\$ 2,458,175
Total General Fund Equipment Expenditures	\$ 33,695
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	<u>-</u>
Total Local Taxation Revenue	\$ -
Local Earnings on Investment in Real Property	
Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	<u>-</u>
Total Local Earnings on Investment in Real Property	\$ -
State Revenue in Lieu of Taxes	
Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	<u>-</u>
Total State Revenue in Lieu of Taxes	\$ -
Nonpublic Textbook Revenue	<u>\$ -</u>
Nonpublic Transportation Revenue	<u>\$ -</u>

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Education Levels of Public School Staff
 As of October 1, 2008

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	19	66%	1	100%				
Master's Degree	10	34%			1	50%		
Master's Degree + 30					1	50%		
Specialist in Education								
Ph. D. or Ed. D.								
Total	29	100%	1	100%	2	100%	0	0%

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2009**

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

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Experience of Public Principals, Assistant Principals
 and Full Time Classroom Teachers
 As of October 1, 2008

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals							1	1
Principals							1	1
Classroom Teachers	3	4	4	5	2	4	8	30
Total	3	4	4	5	2	4	10	32

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Public School Staff Data
For the Year Ended June 30, 2009**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$47,052	\$45,683
Average Classroom Teachers' Salary Excluding Extra Compensation	\$46,750	\$45,631
Number of Teacher Full Time Equivalent (FTEs) used in Computation of Average Salaries	29.94	24.94

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Class Size Characteristics
 As of October 1, 2008

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	92%	22	8%	2	0%	0	0%	0

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Louisiana Educational Assessment Program (LEAP)
 For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2009		2008		2007		2009		2008		2007		2009		2008		2007		2009		2008		2007	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 4	7	10%	9	18%	5	13%	5	7%	5	10%	0	0%	6	8%	5	10%	0	0%	15	21%	2	4%	0	0%
Advanced	27	37%	25	49%	14	37%	27	37%	25	49%	10	26%	28	38%	18	35%	4	11%	34	46%	18	35%	6	16%
Mastery	35	48%	16	31%	18	47%	39	53%	20	39%	25	66%	32	44%	27	53%	26	68%	24	33%	30	59%	29	76%
Basic	4	5%	1	2%	1	3%	2	3%	1	2%	3	8%	7	10%	1	2%	8	21%	0	0%	1	2%	3	8%
Approaching Basic	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Unsatisfactory																								
Total	73	100%	51	100%	38	100%	73	100%	51	100%	38	100%	73	100%	51	100%	38	100%	73	100%	51	100%	38	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2009		2008		2007		2009		2008		2007		2009		2008		2007		2009		2008		2007	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 8	1	2%	0	0%	N/A	N/A	14	33%	0	0%	N/A	N/A	2	5%	0	0%	N/A	N/A	2	5%	0	0%	N/A	N/A
Advanced	14	33%	7	28%	N/A	N/A	4	9%	3	12%	N/A	N/A	19	44%	5	20%	N/A	N/A	24	55%	3	12%	N/A	N/A
Mastery	27	63%	15	60%	N/A	N/A	25	58%	20	80%	N/A	N/A	20	46%	13	52%	N/A	N/A	17	40%	16	64%	N/A	N/A
Basic	1	2%	3	12%	N/A	N/A	0	0%	2	8%	N/A	N/A	2	5%	7	28%	N/A	N/A	0	0%	6	24%	N/A	N/A
Approaching Basic	0	0%	0	0%	N/A	N/A	0	0%	0	0%	N/A	N/A	0	0%	0	0%	N/A	N/A	0	0%	0	0%	0	0%
Unsatisfactory																								
Total	43	100%	25	100%	N/A	N/A	43	100%	25	100%	N/A	N/A	43	100%	25	100%	N/A	N/A	43	100%	25	100%	38	100%

Note: Lake Forest did not have an 8th grade for the year ended June 30, 2007. Therefore, 8th grade scores are not reported for the year ended June 30, 2007.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Graduation Exit Exam
For the Year Ended June 30, 2009**

Lake Forest Elementary Charter School is an elementary school; therefore, this schedule does not apply.

LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 ILEAP Test Results
 For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2009		2008		2007		2009		2008		2007		2009		2008		2007		2009		2008		2007	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 3	8	20%	3	4%	3	6%	16	40%	6	8%	8	17%	3	8%	1	1%	3	10%	1	3%	1	1%	1	2%
Advanced Mastery	26	62%	20	26%	15	32%	13	33%	23	33%	14	30%	20	48%	12	17%	14	30%	36	87%	21	29%	5	11%
Basic	7	18%	44	61%	25	53%	11	27%	36	50%	23	48%	16	38%	44	61%	25	50%	4	10%	45	53%	34	72%
Approaching Basic	0	0%	5	7%	4	9%	0	0%	6	8%	2	4%	2	5%	15	21%	5	10%	0	0%	5	7%	7	15%
Unsatisfactory	0	0%	0	0%	0	0%	0	0%	1	1%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	40	100%	72	100%	47	100%	40	100%	72	100%	47	100%	40	100%	72	100%	47	100%	40	100%	72	100%	47	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2009		2008		2007		2009		2008		2007		2009		2008		2007		2009		2008		2007	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 5	6	9%	0	0%	0	0%	13	24%	5	11%	5	14%	6	9%	2	5%	2	5%	2	4%	0	0%	1	3%
Advanced Mastery	20	37%	18	41%	11	30%	17	31%	8	18%	6	16%	25	46%	7	16%	0	24%	23	38%	14	32%	6	16%
Basic	28	62%	23	52%	20	53%	21	38%	30	69%	21	56%	23	43%	27	51%	22	60%	28	62%	25	57%	26	75%
Approaching Basic	1	2%	3	7%	5	14%	2	4%	1	2%	4	11%	1	2%	8	18%	4	11%	3	5%	4	9%	2	5%
Unsatisfactory	0	0%	0	0%	1	3%	1	2%	0	0%	1	3%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	64	100%	44	100%	37	100%	64	100%	44	100%	37	100%	64	100%	44	100%	37	100%	64	100%	44	100%	37	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2009		2008		2007		2009		2008		2007		2009		2008		2007		2009		2008		2007	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 6	0	0%	1	2%	4	9%	7	18%	6	15%	6	14%	0	0%	0	0%	1	2%	1	3%	0	0%	1	2%
Advanced Mastery	14	36%	11	27%	17	39%	10	26%	6	15%	13	30%	13	33%	8	20%	7	16%	6	16%	9	22%	9	20%
Basic	26	64%	28	69%	21	48%	22	52%	28	65%	23	52%	22	57%	28	70%	29	66%	26	67%	24	58%	26	59%
Approaching Basic	0	0%	1	2%	1	2%	0	0%	1	2%	1	2%	4	10%	4	10%	4	9%	6	16%	8	20%	6	14%
Unsatisfactory	0	0%	0	0%	1	2%	0	0%	2	5%	1	2%	0	0%	0	0%	3	7%	0	0%	0	0%	2	5%
Total	39	100%	41	100%	44	100%	39	100%	41	100%	44	100%	39	100%	41	100%	44	100%	39	100%	41	100%	44	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2009		2008		2007		2009		2008		2007		2009		2008		2007		2009		2008		2007	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 7	5	13%	6	19%	0	0%	14	35%	4	9%	1	4%	4	10%	2	5%	0	0%	14	36%	2	5%	1	4%
Advanced Mastery	13	33%	14	33%	7	28%	8	21%	6	14%	3	12%	19	47%	9	21%	5	20%	23	57%	16	37%	1	4%
Basic	22	64%	18	41%	14	56%	16	40%	30	75%	18	72%	16	40%	28	65%	12	48%	3	8%	24	56%	14	56%
Approaching Basic	0	0%	2	5%	4	16%	0	0%	3	7%	1	4%	1	3%	4	9%	8	32%	0	0%	1	2%	8	32%
Unsatisfactory	0	0%	1	2%	0	0%	0	0%	0	0%	2	8%	0	0%	0	0%	0	0%	0	0%	0	0%	1	4%
Total	40	100%	43	100%	25	100%	40	100%	43	100%	25	100%	40	100%	43	100%	25	100%	40	100%	43	100%	25	100%

SUPPLEMENTAL INFORMATION

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Schedule of Board of Directors
For the Year Ended June 30, 2009**

<u>Board Members</u>	<u>Compensation</u>
Mr. G. Lee Caston, President/Treasurer 22124 Nolan Road Covington, LA 70435 (985) 264-0182	\$-0-
Ms. Windi D. Brown, Advisory Director 4007 St. Charles Ave., Apt 308 New Orleans, LA 70115 (504) 915-9696	\$-0-
Ms. Denise Williams, Secretary 5217 Citrus Blvd., Apt R-132 River Ridge, LA 70123 (504) 324-7092	\$-0-
Mr. Donald Pate 516 Beau Chen Drive Mandeville, LA 70471 (504) 710-6518	\$-0-
Mrs. Gina Dupart 6652 Manchester Road New Orleans, LA 70126 (504) 710-6518	\$-0-
Mrs. Leila Eames 5820 Eastover Drive South New Orleans, LA 70128 (504) 259-7956	\$-0-
Mr. Norman Robinson 324 Delaronde Street New Orleans, LA 70114 (504) 650-0875	\$-0-

OTHER INDEPENDENT AUDITORS' REPORTS AND SCHEDULES



Silva Gurtner & Abney

Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*

*Limited Liability Companies

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Lake Forest Elementary Charter School
New Orleans, Louisiana

We have audited the financial statements of Lake Forest Elementary Charter School (the School) (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated September 25, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School'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 School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School'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 School's internal control.

Our 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 the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements; noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, the Louisiana Department of Education, the Orleans Parish School Board, the federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

September 25, 2009

Silva Gurtner & Abney

Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*
*Limited Liability Companies

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

To the Board of Directors
Lake Forest Elementary Charter School
New Orleans, Louisiana

Compliance

We have audited the compliance of the Lake Forest Elementary Charter School (the School) with the 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, 2009. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (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 the School's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, Lake Forest Elementary Charter School 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, 2009.

Internal Control over Compliance

The management of the School 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 our audit, we considered the School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A *control deficiency* in the School'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 School'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 School'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 School's internal control.

Our consideration of 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, the Louisiana Department of Education, the Orleans Parish School Board, the federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

September 25, 2009

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
 NEW ORLEANS, LOUISIANA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Expenditures
United States Department of Education		
Passed through the Orleans Parish School Board		
Title I Grants to Local Educational Agencies	84.010	\$ 470,501
Public Charter School Program	84.282	177,622
Title V Innovative Education Program Strategies	84.298	18,722
United States Department of Agriculture		
Passed through the Louisiana Department of Education		
National School Lunch Program	10.555	<u>114,023</u>
Total		<u>\$ 780,868</u>

The accrual basis of accounting is used for reporting purposes.

**LAKE FOREST ELEMENTARY CHARTER SCHOOL
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	_____ X _____	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ X _____	none reported
Noncompliance material to financial statements noted?	_____ yes	_____ X _____	no

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	_____ yes	_____ X _____	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ X _____	none reported

Type of auditors' report issued on compliance for major programs:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	_____ yes	_____ X _____	no

Identification of major programs:

CFDA Number

84.010A

Name of Federal Program or Cluster

Title I - Grants to LEA's - Part A - Basic

Dollar threshold used to distinguish
between Type A and Type B programs:

_____ \$300,000 _____

Auditee qualified as low-risk audit?

_____ yes _____ X _____ no