

**THE MAXINE GIARDINA
CHARTER SCHOOL, INC.**

Audit of Financial Statements

June 30, 2010

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 1/12/11

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Independent Auditor's Report

To the Board of Directors
The Maxine Giardina Charter School, Inc.
Thibodaux, Louisiana

We have audited the accompanying statement of financial position of The Maxine Giardina Charter School, Inc., (the School), a non-profit organization, as of June 30, 2010, 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 the School as of June 30, 2010, 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 November 10, 2010, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant 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 that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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.

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Our audit was conducted for the purpose of forming an opinion on the financial statements of the 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. 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.



A Professional Accounting Corporation

November 10, 2010

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Statement of Financial Position
June 30, 2010

| | |
|---|----------------------------|
| Assets | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 390,929 |
| Grants Receivable | 231,978 |
| Other Current Assets | <u>13,624</u> |
| Total Current Assets | <u>636,531</u> |
| Fixed Assets | |
| Building | 635,945 |
| Machinery and Equipment | 87,063 |
| Improvements | 38,996 |
| Accumulated Depreciation | <u>(147,819)</u> |
| Total Fixed Assets, Net | <u>614,185</u> |
| Total Assets | <u><u>\$ 1,250,716</u></u> |
| Liabilities and Net Assets | |
| Current Liabilities | |
| Accounts Payable | \$ 91,196 |
| Accrued Liabilities | <u>130,049</u> |
| Total Current Liabilities | <u>221,245</u> |
| Net Assets | |
| Unrestricted | <u>1,029,471</u> |
| Total Net Assets | <u>1,029,471</u> |
| Total Liabilities and Net Assets | <u><u>\$ 1,250,716</u></u> |

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Statement of Activities
For the Year Ended June 30, 2010

| | Unrestricted |
|--|----------------------------|
| Revenue, Grants and Other Support | |
| State Public School Funding | \$ 938,594 |
| Federal Grant Revenue | 378,673 |
| Other Income, Net | 56,637 |
| Donations | 11,454 |
| Other Grant Revenue | <u>1,706</u> |
| Total Revenue, Grants and Other Support | <u>1,387,064</u> |
| Expenses | |
| Program Services | |
| Regular Education Programs | 715,038 |
| Special Education Programs | 125,533 |
| School Administration | 88,216 |
| Instructional Staff Services | 63,700 |
| Depreciation | 52,081 |
| Operation and Maintenance of Plant Services | 33,326 |
| Other Instructional Programs | 13,190 |
| Management and General | |
| General Administration | 56,288 |
| Business Services | <u>2,663</u> |
| Total Expenses | <u>1,150,035</u> |
| Increase in Net Assets | 237,029 |
| Net Assets, Beginning of Year | <u>792,442</u> |
| Net Assets, End of Year | <u><u>\$ 1,029,471</u></u> |

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC
Statement of Cash Flows
For the Year Ended June 30, 2010

| | |
|---|-------------------|
| Cash Flows from Operating Activities | |
| Increase in Net Assets | \$ 237,029 |
| Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities | |
| Depreciation | 52,081 |
| Bad Debt Expense | 9,432 |
| (Increase) Decrease in: | |
| Grants Receivable | (147,393) |
| Other Current Assets | 706 |
| Increase (Decrease) in: | |
| Accounts Payable | 69,362 |
| Accrued Liabilities | 41,662 |
| | <u>25,850</u> |
| Total Adjustments | <u>25,850</u> |
| Net Cash Provided by Operating Activities | <u>262,879</u> |
| Cash Flows from Investing Activities | |
| Fixed Asset Purchases | <u>(25,154)</u> |
| Net Cash Used in Investing Activities | <u>(25,154)</u> |
| Net Increase in Cash and Cash Equivalents | 237,725 |
| Cash and Cash Equivalents, Beginning of Year | <u>153,204</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 390,929</u> |

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Maxine Giardina Charter School, Inc., d/b/a The Max Charter School (the School) was created as a non-profit corporation under the laws of the State of Louisiana (the State) on June 27, 2006. The School applied to the Louisiana Board of Elementary and Secondary Education (BESE) to operate a Type 2 charter school. On June 6, 2007, BESE approved the charter of the School. The charter was granted for an initial term of 3 years and will terminate unless BESE grants the School a two year extension of the contract pursuant to Louisiana Revised Statute 17:3992 and 3998. On July 7, 2010, the School was granted a one year extension.

The School serves eligible students in first through eighth grade. The School specializes in instruction for students with dyslexia and other related learning disabilities. 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 the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). 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 the *Not-for-Profit Entities* Topic of the FASB ASC, 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.

Revenues

The School's primary source of funding is through the State Public School Fund. The School received \$938,594 from the State based on eligible students in attendance paid over a monthly basis. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses occur.

Fixed Assets and Depreciation

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

THE MAXINE GIARDINA CHARTER SCHOOL, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fixed Assets and Depreciation (Continued)

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. The following are the estimated useful lives of the fixed assets of the School:

| | |
|-------------------------|--------------|
| Improvements | 4 - 5 Years |
| Machinery and Equipment | 5 - 10 Years |
| Building | 15 Years |

Income Taxes

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

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 cash equivalents.

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.

Concentrations

The School received 68% of its revenues for the year ended June 30, 2010, from the State of Louisiana, subject to its charter school contract with the State.

Compensated Absences

The Board of Directors of the School grants all contracted employees of the School a total of 10 days of sick/personal pay per year, provided, however, that the employee is contracted for a full year. Contracted employees may carry over all unused sick/personal days from year to year. The liability at June 30, 2010, is considered to be immaterial and is not recorded in the accompanying financial statements.

Note 2. Grants Receivable

As of June 30, 2010, grants receivable totaled \$231,978, which was a receivable for federal grants passed through the Louisiana Department of Education. The balance is considered to be fully collectible.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.

Notes to Financial Statements

Note 3. Fixed Assets

Depreciation expense for the year ended June 30, 2010, was \$52,081.

All assets acquired with Louisiana Department of Education funds are owned by the School while used in the purpose for which they were purchased. The Louisiana 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. Assets purchased with private funds remain the property of the School.

Note 4. Accrued Liabilities

As of June 30, 2010, the School had recorded accrued liabilities of \$130,049. This amount represents teachers' accrued salaries and pensions for the months of July and August.

Note 5. Retirement Plans

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (the TRSL). The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered and controlled by separate boards of trustees. Pertinent information relative to the plan follows:

Plan Description

The TRSL 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 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, 2010. 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 contributions to the plan for the three years ended June 30, 2010, 2009, and 2008, were \$80,808, \$74,448, and \$100,656, respectively, which are equal to the required contributions for each year.

Note 6. Operating Lease

The School leases the 1.93 acres of land on which the School is located from Nicholls State University under an operating lease through 2012. The School pays rent in the sum of \$5 per year on the lease.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.

Notes to Financial Statements

Note 7. Uncertain Income Taxes

On July 1, 2009, the School adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. The implementation of this topic had no impact on the statement of financial position or statement of activities.

All tax returns have been appropriately filed by the School. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2006 through 2008. Management evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Note 8. Charter Extension

On July 1, 2010, the Louisiana State Board of Elementary Education met in regular session and granted a one year extension of the charter for the School and place the School on contract probation.

Note 9. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 10, 2010. With the exception of those matters discussed in Note 8, there were no material subsequent events that required recognition or additional disclosure in these financial statements. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
The Maxine Giardina Charter School, Inc.
Thibodaux, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of The Maxine Giardina Charter School, Inc. (the 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 the 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 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 that relate to the accompanying schedules of supplemental information 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

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 the School's supporting payroll records as of October 1st.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant 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 principals, assistant principals, and full time teachers by classification as of October 1st 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 I 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 principals, assistant principals, and full time teachers by classification as of October 1st, 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 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.

8. We recalculated the average salaries and full time equivalents reported on 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 1st 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 on the schedule by the School.

Findings:

None

Graduation Exit Exam (Schedule 8)

11. Not applicable.

iLEAP Test Results (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 on the schedule by the 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 the 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.



A Professional Accounting Corporation

November 10, 2010

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2010

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 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 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, 7, and 9. 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.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year ended June 30, 2010

Schedule 1

| <u>General Fund Instructional and Equipment Expenditures</u> | |
|--|-------------------|
| General Fund Instructional Expenditures | |
| Teacher and Student Interaction Activities | |
| Classroom Teacher Salaries | \$ 330,069 |
| Other Instructional Staff Salaries | 36,913 |
| Instructional Staff Employee Benefits | 93,020 |
| Purchased Professional and Technical Services | 2,039 |
| Instructional Materials and Supplies | 21,405 |
| Instructional Equipment | - |
| Total Teacher and Student Interaction Activities | \$ 483,446 |
| Other Instructional Activities | 21,171 |
| Pupil Support Services | - |
| Less: Equipment for Pupil Support Services | 814 |
| Net Pupil Support Services | 814 |
| Instructional Staff Services | 63,700 |
| Less: Equipment for Instructional Staff Services | - |
| Net Instructional Staff Services | 63,700 |
| School Administration | 88,216 |
| Less: Equipment for School Administration | - |
| Net School Administration | 88,216 |
| Total General Fund Instructional Expenditures | \$ 657,347 |
| Total General Fund Equipment Expenditures | \$ 814 |
| <u>Certain Local Revenue Sources</u> | |
| Local Taxation Revenue | |
| Constitutional Ad Valorem Taxes | \$ - |
| Renewable Ad Valorem Tax | - |
| Debt Service Ad Valorem Tax | - |
| Up to 1% of Collections by the Sheriff on Taxes | - |
| Other than School Taxes | - |
| Sales and Use Taxes | - |
| Total Local Taxation Revenue | \$ - |
| Local Earnings on Investment in Real Property | |
| Earnings from 18th Section Property | \$ - |
| Earnings from Other Real Property | - |
| 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 | - |
| Total State Revenue in Lieu of Taxes | \$ - |
| Nonpublic Textbook Revenue | \$ - |
| Nonpublic Transportation Revenue | \$ - |

See independent accountant's report on applying agreed-upon procedures.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Education Levels of Public School Staff
As of October 1, 2009

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 | 6 | 55% | 2 | 18% | | | | |
| Master's Degree | 2 | 18% | | | | | | |
| Master's Degree + 30 | 1 | 9% | | | | | | |
| Specialist in Education | | | | | | | | |
| Ph. D. or Ed. D. | | | | | 1 | 100% | | |
| Total | 9 | 82% | 2 | 18% | 1 | 100% | | |

See independent accountant's report on applying agreed-upon procedures.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Number and Type of Public Schools
For the Year Ended June 30, 2010

Schedule 3

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

See independent accountant's report on applying agreed-upon procedures.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Experience of Public Principals, Assistant Principals,
and Full Time Classroom Teachers
As of October 1, 2009

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 | | | | | | | | |
| Principals | | | | | | | 1 | 1 |
| Classroom Teachers | 4 | 0 | 4 | 1 | 1 | 0 | 1 | 11 |
| Total | 4 | 0 | 4 | 1 | 1 | 0 | 2 | 12 |

See independent accountant's report on applying agreed-upon procedures.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Public School Staff Data
For the Year Ended June 30, 2010

Schedule 5

| | All Classroom Teachers | Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions |
|--|-------------------------------|---|
| Average Classroom Teachers' Salary Including Extra Compensation | \$42,762 | \$42,762 |
| Average Classroom Teachers' Salary Excluding Extra Compensation | \$42,046 | \$42,046 |
| Number of Teacher Full Time Equivalent (FTEs) Used in Computation of Average Salaries | 10.95 | 10.95 |

See independent accountant's report on applying agreed-upon procedures.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Class Size Characteristics
As of October 1, 2009

Schedule 6

| School Type | Class Size Range | | | | | | | |
|-----------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|
| | 1 - 20 | | 21 - 26 | | 27 - 33 | | 34+ | |
| | Percent | Number | Percent | Number | Percent | Number | Percent | Number |
| Elementary | 100% | 43 | | | | | | |
| Elementary Activity Classes | | | | | | | | |

See independent accountant's report on applying agreed-upon procedures.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2010

Schedule 7

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | | Science | | | | | | Social Studies | | | | | | | | | | | |
|------------------------------------|-----------------------|-------------|-----------|-------------|-----------|-------------|-------------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|----------------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|--|--|--|--|
| | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | | | | | | |
| | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | | | | | | |
| Grade 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advanced | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 4% | | | | |
| Mastery | 1 | 5% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 2 | 11% | 0 | 0% | 0 | 0% | 1 | 5% | 0 | 0% | 0 | 0% | 1 | 4% | | | | |
| Basic | 4 | 21% | 3 | 14% | 6 | 24% | 7 | 37% | 4 | 19% | 6 | 23% | 9 | 47% | 7 | 33% | 9 | 35% | 13 | 68% | 3 | 14% | 3 | 14% | 6 | 23% | | | | |
| Approaching Basic | 6 | 32% | 8 | 38% | 10 | 38% | 8 | 42% | 7 | 33% | 8 | 31% | 7 | 37% | 8 | 38% | 12 | 46% | 3 | 16% | 7 | 33% | 7 | 33% | 8 | 31% | | | | |
| Unsatisfactory | 8 | 42% | 10 | 48% | 10 | 38% | 4 | 21% | 10 | 48% | 12 | 46% | 1 | 5% | 6 | 29% | 5 | 19% | 2 | 11% | 11 | 53% | 10 | 38% | | | | | | |
| Total | 19 | 100% | 21 | 100% | 26 | 100% | 19 | 100% | 21 | 100% | 26 | 100% | 19 | 100% | 21 | 100% | 26 | 100% | 19 | 100% | 21 | 100% | 26 | 100% | 26 | 100% | | | | |

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | | Science | | | | | | Social Studies | | | | | | | | | | | |
|------------------------------------|-----------------------|-------------|----------|-------------|----------|-------------|-------------|-------------|----------|-------------|----------|-------------|-----------|-------------|----------|-------------|----------|-------------|----------------|-------------|----------|-------------|----------|-------------|----------|-------------|--|--|--|--|
| | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | | | | | | |
| | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | | | | | | |
| Grade 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advanced | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | | | | |
| Mastery | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 12% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | | | | |
| Basic | 3 | 23% | 2 | 25% | 1 | 50% | 3 | 23% | 4 | 50% | 1 | 50% | 5 | 38% | 3 | 38% | 1 | 50% | 7 | 54% | 5 | 38% | 5 | 38% | 1 | 50% | | | | |
| Approaching Basic | 6 | 46% | 4 | 50% | 0 | 0% | 7 | 54% | 1 | 12% | 1 | 12% | 0 | 0% | 8 | 62% | 3 | 38% | 0 | 0% | 5 | 38% | 1 | 12% | 0 | 0% | | | | |
| Unsatisfactory | 4 | 31% | 2 | 25% | 1 | 50% | 3 | 23% | 3 | 38% | 3 | 38% | 1 | 50% | 0 | 0% | 1 | 12% | 1 | 50% | 1 | 8% | 2 | 25% | 1 | 50% | | | | |
| Total | 13 | 100% | 8 | 100% | 2 | 100% | 13 | 100% | 8 | 100% | 2 | 100% | 13 | 100% | 8 | 100% | 2 | 100% | 13 | 100% | 8 | 100% | 2 | 100% | 2 | 100% | | | | |

See independent accountant's report on applying agreed-upon procedures.

**THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Graduation Exit Exam
For the Year Ended June 30, 2010**

Schedule 8

The School is an elementary school; therefore, this schedule does not apply.

See independent accountant's report on applying agreed-upon procedures.

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
iLEAP Test Results
For the Year Ended June 30, 2010

Schedule 9

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | | Science | | | | | | Social Studies | | | | | | |
|------------------------------------|-----------------------|------|------|------|------|------|-------------|------|------|------|------|------|---------|------|------|------|------|------|----------------|------|------|------|------|------|--|
| | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | |
| | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | |
| Grade 3 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advanced | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | |
| Mastery | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 9% | 1 | 12% | 0 | 0% | 1 | 9% | 1 | 12% | 0 | 0% | 0 | 0% | 0 | 0% | |
| Basic | 0 | 0% | 0 | 0% | 3 | 38% | 2 | 16% | 4 | 33% | 3 | 38% | 5 | 42% | 4 | 33% | 2 | 26% | 2 | 16% | 2 | 18% | 1 | 12% | |
| Approaching Basic | 7 | 68% | 0 | 0% | 2 | 24% | 6 | 42% | 4 | 33% | 4 | 33% | 4 | 33% | 4 | 33% | 4 | 33% | 6 | 50% | 5 | 42% | 3 | 38% | |
| Unsatisfactory | 6 | 42% | 8 | 67% | 3 | 38% | 5 | 42% | 3 | 25% | 3 | 38% | 3 | 25% | 3 | 25% | 1 | 12% | 4 | 33% | 3 | 25% | 2 | 25% | |
| Total | 12 | 100% | 12 | 100% | 8 | 100% | 12 | 100% | 12 | 100% | 12 | 100% | 8 | 100% | 12 | 100% | 8 | 100% | 12 | 100% | 12 | 100% | 12 | 100% | |

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | | Science | | | | | | Social Studies | | | | | | |
|------------------------------------|-----------------------|------|------|------|------|------|-------------|------|------|------|------|------|---------|------|------|------|------|------|----------------|------|------|------|------|------|--|
| | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | |
| | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | |
| Grade 5 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advanced | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | |
| Mastery | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 12% | |
| Basic | 2 | 10% | 4 | 22% | 2 | 22% | 5 | 25% | 6 | 33% | 4 | 44% | 2 | 10% | 6 | 33% | 4 | 44% | 6 | 30% | 8 | 47% | 1 | 44% | |
| Approaching Basic | 9 | 48% | 2 | 11% | 4 | 44% | 4 | 20% | 5 | 28% | 4 | 44% | 11 | 55% | 5 | 28% | 4 | 44% | 8 | 40% | 1 | 6% | 2 | 22% | |
| Unsatisfactory | 9 | 45% | 12 | 67% | 3 | 34% | 11 | 55% | 7 | 39% | 1 | 12% | 7 | 35% | 7 | 39% | 1 | 12% | 6 | 30% | 7 | 41% | 2 | 22% | |
| Total | 20 | 100% | 16 | 100% | 9 | 100% | 20 | 100% | 18 | 100% | 18 | 100% | 20 | 100% | 18 | 100% | 18 | 100% | 20 | 100% | 17 | 100% | 9 | 100% | |

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | | Science | | | | | | Social Studies | | | | | | |
|------------------------------------|-----------------------|------|------|------|------|------|-------------|------|------|------|------|------|---------|------|------|------|------|------|----------------|------|------|------|------|------|--|
| | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | |
| | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | |
| Grade 6 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advanced | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | |
| Mastery | 0 | 0% | 1 | 10% | 0 | 0% | 0 | 0% | 2 | 20% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | |
| Basic | 5 | 28% | 0 | 0% | 6 | 34% | 5 | 28% | 1 | 10% | 4 | 22% | 9 | 50% | 2 | 20% | 6 | 44% | 7 | 39% | 4 | 40% | 4 | 22% | |
| Approaching Basic | 9 | 50% | 3 | 30% | 6 | 33% | 4 | 22% | 3 | 30% | 5 | 28% | 6 | 33% | 5 | 50% | 6 | 34% | 9 | 50% | 1 | 10% | 7 | 39% | |
| Unsatisfactory | 4 | 22% | 6 | 60% | 6 | 33% | 9 | 50% | 4 | 40% | 9 | 50% | 4 | 22% | 2 | 20% | 4 | 22% | 2 | 11% | 5 | 50% | 7 | 39% | |
| Total | 18 | 100% | 10 | 100% | 18 | 100% | 18 | 100% | 10 | 100% | 18 | 100% | 18 | 100% | 10 | 100% | 18 | 100% | 18 | 100% | 10 | 100% | 18 | 100% | |

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | | Science | | | | | | Social Studies | | | | | | |
|------------------------------------|-----------------------|------|------|------|------|------|-------------|------|------|------|------|------|---------|------|------|------|------|------|----------------|------|------|------|------|------|--|
| | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | 2010 | | 2009 | | 2008 | | |
| | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | Nbr. | % | |
| Grade 7 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advanced | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | |
| Mastery | 0 | 0% | 0 | 0% | 1 | 6% | 1 | 7% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 6% | 0 | 0% | 0 | 0% | 0 | 0% | |
| Basic | 1 | 8% | 5 | 36% | 2 | 11% | 3 | 27% | 2 | 14% | 3 | 17% | 2 | 14% | 5 | 36% | 7 | 39% | 3 | 27% | 4 | 31% | 12 | 65% | |
| Approaching Basic | 2 | 18% | 6 | 43% | 11 | 61% | 6 | 56% | 8 | 57% | 7 | 38% | 2 | 18% | 6 | 43% | 7 | 38% | 3 | 27% | 5 | 38% | 5 | 28% | |
| Unsatisfactory | 8 | 73% | 3 | 21% | 4 | 22% | 1 | 9% | 4 | 29% | 8 | 44% | 7 | 64% | 3 | 21% | 3 | 16% | 6 | 48% | 4 | 31% | 1 | 6% | |
| Total | 11 | 100% | 14 | 100% | 18 | 100% | 11 | 100% | 14 | 100% | 18 | 100% | 11 | 100% | 14 | 100% | 18 | 100% | 11 | 100% | 13 | 100% | 15 | 100% | |

See independent accountant's report on applying agreed-upon procedures.

SUPPLEMENTAL INFORMATION

THE MAXINE GIARDINA CHARTER SCHOOL, INC.
Schedule of Governing Board
For the Year Ended June 30, 2010

| Board Member | Compensation | Board Member | Compensation |
|--|---------------------|---|---------------------|
| Brian Aucoin 1306 Park Drive Thibodaux, LA 70301 <i>Treasurer</i> | \$ - 0 - | Robin Moss 235 Elm Drive Raceland, LA 70394 <i>Board Member</i> | \$ - 0 - |
| Carol W. Blanchard 413 St. John Drive Thibodaux, LA 70301 <i>Board Member</i> | \$ - 0 - | Dr. Albert Davis PO Box 2008 Thibodaux, LA 70310 <i>Board Member</i> | \$ - 0 - |
| Andrea Bollinger-Giardina PO Box 250 Lockport, LA 70374 <i>Board Member</i> | \$ - 0 - | Mel Duplantis 345 Bayou Blue Road Houma, LA 70364 <i>Board Member</i> | \$ - 0 - |
| Dr. Deborah Bordelon PO Box 2053 Thibodaux, LA 70310 <i>Board Member</i> | \$ - 0 - | Jacob A. Giardina 918 East First Street Thibodaux, LA 70301 <i>Board Chair</i> | \$ - 0 - |
| Carol Broussard 137 Alamo Drive Houma, LA 70360 <i>Vice-President</i> | \$ - 0 - | Dr. Susan Roark PO Box 2053 Thibodaux, LA 70310 <i>Board Member</i> | \$ - 0 - |
| Karen Chauvin PO Box 2050 Thibodaux, LA 70310 <i>President</i> | \$ - 0 - | Dianne Savoie 1130 Bayou Blue Road Houma, LA 70364 <i>Secretary</i> | \$ - 0 - |



**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
The Maxine Giardina Charter School, Inc.
Thibodaux, Louisiana

We have audited the financial statements of The Maxine Giardina Charter School, Inc., (the School), a non-profit organization, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 10, 2010. 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 our 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.

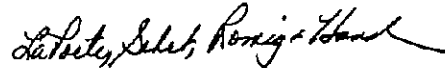
A deficiency in internal control exists when the design of operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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, and federal awarding agencies and pass-through entities and is not intended to be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

November 10, 2010