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Avoyelles Public Charter School, Inc.

Annual Financial Report

June 30, 2008 and 2007

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 1/28/09

AVOYELLES PUBLIC CHARTER SCHOOL, INC.

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AVOUELLES PUBLIC CHARTER SCHOOL, INC.

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

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

INDEPENDENT AUDITORS' REPORT

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

I have audited the accompanying statements of financial position of the Avoyelles Public Charter School, Inc. (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the Avoyelles Public Charter School, Inc. as of June 30, 2008 and 2007, and the changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 13, 2009 on my consideration of Avoyelles Public Charter School, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of this report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

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

W. Kathleen Beard, CPA
January 13, 2009

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

Member:
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Society of Louisiana of Certified Public Accountants

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

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

I have audited the financial statements of the Avoyelles Public Charter School, Inc. (a nonprofit organization) as of and for the years ended June 30, 2008 and 2007, and have issued my report thereon dated January 13, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably, in accordance with generally accepted accounting principles, such that there is a more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. I consider the deficiency described in the accompanying schedule of findings and questioned cost, Finding 2008-1, to be a significant deficiency in internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Avoyelles Public Charter School, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding 2008-1.

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

W. Kathleen Beard, CPA

January 13, 2009

BASIC FINANCIAL STATEMENTS

AVOYELLES PUBLIC CHARTER SCHOOL, INC.

Mansura, Louisiana

Statements of Financial Position

June 30, 2008 and 2007

ASSETS	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash and cash equivalents	\$1,682,999	\$1,437,239
Accrued interest receivable	17,650	25,952
Accounts receivable - grants	463,075	466,391
Accounts receivable - others	0	394
Total Current Assets	2,163,725	1,929,977
Restricted Assets:		
Cash and cash equivalents	514,802	127,421
Total Restricted Assets	514,802	127,421
Property and Equipment:		
Property and Equipment (Net of Accumulated Depreciation)	13,573,338	13,760,372
Other Assets:		
Cash and cash equivalents - designated	1,665,975	1,688,475
Investments - designated	1,827,974	1,742,084
Total Other Assets	3,493,950	3,430,560
Total Assets	\$19,745,814	\$19,248,329
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 43,322	\$ 32,923
Contracts & retainages payable	18,200	1,187,512
Accrued expenses	199,042	195,711
Due to others	14,632	45,276
Notes payable - current portion	237,746	246,620
Total Current Liabilities	512,942	1,708,042
Long-term Liabilities:		
Notes payable	11,687,241	10,740,804
Total Long-term Liabilities	11,687,241	10,740,804
Total Liabilities	12,200,183	12,448,846
Net Assets:		
Net assets - unrestricted	3,551,512	3,286,779
Net assets - designated	3,493,950	3,430,560
Net assets - restricted	500,170	82,145
Total Net Assets	7,545,631	6,799,484
Total Liabilities & Net Assets	\$19,745,814	\$19,248,329

See accompanying notes to financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.

Mansura, Louisiana

Statement of Activities

For the years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Public Support Revenues and Other Support:		
Unrestricted grants in aid - state	\$4,299,145	\$3,550,631
Restricted grants in aid - federal and state	641,850	575,070
Student fees	94,571	59,557
Donations - unrestricted	16,339	9,554
Miscellaneous revenue	278,682	89,043
Interest earned	123,604	121,714
In Kind Support	8,636	0
	<hr/>	<hr/>
Total public support revenues and other support	5,462,828	4,405,568
Expenses:		
Administrative expenses	584,189	399,156
Program expenses	4,085,852	2,995,997
Fund raising expenses	46,639	24,572
	<hr/>	<hr/>
Total expenses	4,716,680	3,419,725
	<hr/>	<hr/>
Increase (decrease) in net assets	746,148	985,843
Net assets at beginning of period	<hr/>	<hr/>
	6,799,483	5,813,640
Net assets at end of period	<hr/> <hr/>	<hr/> <hr/>
	\$7,545,631	\$6,799,483

See accompanying notes to financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Mansura, Louisiana
Statement of Cash Flow
For the years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Increase in net assets	\$746,148	\$985,843
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	416,703	229,311
(Increase) decrease in operating assets:		
Accounts/grants receivable	3,316	(4,994)
Accrued receivables	8,302	(9,451)
Other receivables	394	1,085
Increase (decrease) in operating liabilities:		
Accounts payable	10,399	(17,299)
Accrued expenses	3,331	42,081
Payable to others (activity funds)	(30,644)	24,829
Net cash provided (used) by operating activities	1,157,949	1,251,404
Cash flows from investing activities:		
Payment for purchases of property and equipment	(229,669)	(5,532,027)
Payments for purchases of investments	(85,890)	(60,098)
Increases/(decreases) in contracts and retainages payable	(1,169,312)	(91,322)
Net cash provided (used) by investing activities	(1,484,871)	(5,683,447)
Cash flows from financing activities:		
Proceeds from USDA financing	961,460	5,375,155
Proceeds from QZAB financing	201,804	0
Payments of note principal	(225,701)	(290,034)
Increase/(decrease) in accrued interest payable	0	(37,551)
Net cash provided (used) by financing activities	937,563	5,047,570
Net increase (decrease) in cash and cash equivalents	610,641	615,527
Cash and cash equivalents, Beginning of Year	3,253,135	2,637,608
Cash and cash equivalents, End of Year	\$3,863,776	\$3,253,135
 Disclosure:		
Interest expense	\$ 496,180	\$ 391,277

See accompanying notes to financial statements.

Avoyelles Public Charter School, Inc.
Mansura, Louisiana
Statement of Functional Expenses
For the years ended June 30, 2008 and 2007

Expenses:	<u>Administrative Expenses</u>	<u>Program Expenses</u>	<u>Fund Raising Expenses</u>	<u>2008 Total</u>	<u>2007 Total</u>
Salaries	\$260,603	\$1,705,347	\$0	\$1,965,950	\$1,509,458
Payroll taxes	4,598	25,725	0	30,323	21,401
Employee group insurance	43,384	219,956	0	263,340	195,777
Retirement fund contribution	53,735	269,637	0	323,372	251,159
Other employee benefits	2,342	18,361	0	20,703	10,786
Retirees' group benefits	0	12,993	0	12,993	12,840
Transportation	771	139,472	0	140,243	72,802
PIPS	0	0	0	0	1,340
Advertising	974	0	0	974	1,978
Depreciation expense	0	416,703	0	416,703	229,311
Dues and fees	755	784	0	1,539	155
Insurance	32,670	78,639	0	111,309	84,812
Repairs and maintenance	0	24,723	0	24,723	21,711
Audit/accounting services	63,400	0	0	63,400	57,300
Legal services	0	0	0	0	0
Other professional services	29,941	40,180	0	70,121	50,941
Miscellaneous expense	833	49,397	46,639	96,869	54,763
Bank charges and fees	357	189	0	545	1,895
Purchased educational services	0	27,514	0	27,514	18,988
Materials and supplies	82,059	132,277	0	214,336	150,700
Books and periodicals	0	38,807	0	38,807	21,130
Telephone and postage	7,767	33,040	0	40,807	14,030
Utilities	0	187,710	0	187,710	90,095
Food service management	0	159,582	0	159,582	155,076
Interest expense	0	496,180	0	496,180	391,277
In kind expenses					
Salaries	0	8,636	0	8,636	0
Totals	\$584,189	\$4,085,852	\$46,639	\$4,716,680	\$3,419,725

See accompanying notes to financial statement.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements
June 30, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

Basis of Accounting

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

Public Support and Revenue

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

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

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Avoyelles Public Charter School, Inc. had no temporarily or permanently restricted net assets as of June 30, 2008 and 2007 arising from contributions.

Cash and cash equivalents

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

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

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

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

NOTE B – CASH AND INVESTMENTS

At June 30, 2008 and 2007, cash and cash equivalents consisted of the following:

	<u>2008</u>	<u>2007</u>
Petty Cash	\$ 50	\$ 50
Cash in checking accounts	1,698,608	1,505,419
Short term investments	<u>2,165,118</u>	<u>1,747,666</u>
Total	<u>\$ 3,863,776</u>	<u>\$ 3,253,135</u>

At June 30, 2008 and 2007, the School holds investments totaling \$ 1,742,084 and \$1,742,084 respectively, as follows:

	<u>2008</u>		<u>2007</u>	
	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of Deposit	<u>\$ 1,827,974</u>	<u>\$ 1,827,974</u>	<u>\$ 1,742,084</u>	<u>\$ 1,742,084</u>
Total	<u>\$ 1,827,974</u>	<u>\$ 1,827,974</u>	<u>\$ 1,742,084</u>	<u>\$ 1,742,084</u>

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

At June 30, 2008, the School's deposits (bank balances) totaled \$5,800,431. These deposits are secured from risk by \$312,022 of federal deposit insurance. The remaining balance of \$5,488,409 was covered entirely by the pledge of securities (Category 3).

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE C - GRANTS RECEIVABLE

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 2008 and 2007:

	2008	2007
United States Department of Education -		
IDEA/Special Education	\$ 97,934	\$ 83,090
IDEA/Preschool	2,147	2,147
Title I	271,529	256,662
Title II	27,148	34,091
Title IV	2,155	3,687
Title V	1,016	935
Small School Achievement Program	20,330	-
Louisiana Department of Education -		
LEAP 21 Tutoring/High Stakes Remediation	12,425	-
K-3 Reading/Math Initiative	23,085	40,000
Louisiana State Board of Elementary and Secondary Education -		
8 G Superior Textbooks Programs	549	-
8 G Block Project	-	-
PIP	501	-
Other -		
E-Rate	4,256	4,286
	\$ 463,075	\$ 424,898

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE D – FIXED ASSETS

A summary of fixed assets is as follows:

	Balance June 30,2007	Additions	Retirements	Balance June 30,2008
Land and land improvements	\$ 1,517,449	\$ 32,745	\$ -	\$ 1,550,194
Buildings	12,328,626	-	-	12,328,626
Building improvements	-	26,115	-	26,115
Transportation equipment	45,800	63,500	1,000	108,300
Furniture and fixtures	237,517	19,857	-	257,374
Machinery and equipment	273,734	87,500	-	361,234
Construction in progress	0			0
Total Fixed Assets	14,403,126	229,717	1,000	14,631,843
Accumulated depreciation	(642,754)	(416,703)	(952)	(1,058,505)
Net Fixed Assets	\$ 13,760,372			\$ 13,573,338

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

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE E – CURRENT PORTION LONG-TERM DEBT

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

Current Portion Long-Term Debt:

Debt:	<u>Amount Due Within One Year</u>
USDA \$1,600,000 Loan	\$53,836
USDA \$500,000 Loan	17,526
USDA \$600,000 Loan	14,716
USDA \$2,200,000 Loan	28,031
USDA \$7,502,000 Loan	87,441
Qualified Zone Academy Bonds	36,196
	<u>\$237,746</u>

NOTE F – LONG-TERM NOTE PAYABLE

United States Department of Agriculture

By resolution of the Board of Directors on February 22, 2000, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$1,600,000 for the purpose of providing the cost of building an educational facility. The Board of Directors entered into a security agreement with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$1,600,000 at an interest rate of 5.125% payable over twenty-five years. At June 30, 2008 and 2007, the school had outstanding principal balances of \$1,289,234 and \$1,339,464, respectively. Future debt service requirements are as follows:

Fiscal Year	*****\$1,600,000*****		
<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	53,836	64,820	118,656
2010	56,660	61,996	118,656
2011	59,634	59,022	118,656
2012	62,763	55,893	118,656
2013	66,056	52,600	118,656
2014-2024	990,286	304,650	1,294,936
Totals	<u>\$ 1,289,234</u>	<u>\$ 598,982</u>	<u>\$ 1,888,216</u>

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE F – LONG-TERM NOTE PAYABLE (Continued)

United States Department of Agriculture

By resolution of the Board of Directors on September 17, 2004, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$1,100,000 for the purpose of financing the cost of Phase II of the Campus Improvement Project which consisted of construction of entrance road, parking, site grading, drainage, and utilities. On March 8, 2005, the Board of Directors entered into two separate security agreements with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$600,000 and \$500,000, each at an interest rate of 4.5% payable over twenty-five years. At June 30, 2008 and 2007, the school had and combined outstanding principal balances of \$946,421 and \$977,246, respectively. Future debt service requirements are as follows:

Fiscal Year	*****\$600,000*****			
	<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2009	14,716	25,316	40,032
	2010	15,392	24,640	40,032
	2011	16,099	23,933	40,032
	2012	16,839	23,193	40,032
	2013	17,613	22,419	40,032
	2014-2024	488,605	221,567	710,172
		<u>\$569,264</u>	<u>\$341,068</u>	<u>\$910,332</u>

Fiscal Year	*****\$500,000*****			
	<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2009	17,526	16,614	34,140
	2010	18,332	15,808	34,140
	2011	19,174	14,966	34,140
	2012	20,055	14,085	34,140
	2013	20,976	13,164	34,140
	2014-2024	281,095	70,705	351,799
		<u>\$377,157</u>	<u>\$145,342</u>	<u>\$522,499</u>

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE F – LONG-TERM NOTE PAYABLE (Continued)

United States Department of Agriculture

By resolution of the Board of Directors on August 30, 2005, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$7,502,000, for the purpose of financing the cost of Phase IV of the Campus Improvement Project which consists of construction of the high school building, gymnasium and performing arts building. On August 30, 2005, the Board of Directors entered into a security agreement with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$7,502,000 at an interest rate of 4.125% payable over forty years. At June 30, 2008 and 2007 the school had an outstanding balances of \$7,326,256 and \$7,410,157, respectively. Future debt service requirements are as follows:

Fiscal Year	*****\$7,502,000*****		
<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	87,441	300,567	388,008
2010	91,117	296,891	388,008
2011	94,947	293,061	388,008
2012	98,939	289,069	388,008
2013	103,098	284,910	388,008
2014-2045	6,850,714	5,427,665	12,278,380
	\$7,326,256	\$6,892,164	\$14,218,420

United States Department of Agriculture

By resolution of the Board of Directors on August 30, 2005, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$2,200,000, for the purpose of financing the cost of Phase IV of the Campus Improvement Project which consists of construction of the high school building, gymnasium and performing arts building. On August 30, 2005, the Board of Directors entered into a security agreement with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$2,200,000 at an interest rate of 4.125% payable over forty years. At June 30, 2008 and 2007 the school had an outstanding balances of \$2,091,606 and \$1,163,745. Future debt service requirements are pending completion of drawdown of cash advances on loan, projected debt service requirements are as follows:

Fiscal Year	*****\$2,200,000*****		
<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	28,031	85,753	113,784
2010	29,210	84,574	113,784
2011	30,438	83,346	113,784
2012	31,717	82,067	113,784
2013	33,051	80,733	113,784
2014-2042	1,939,160	1,415,348	3,354,508
	\$2,091,606	\$1,831,821	\$3,923,428

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE F – LONG-TERM NOTE PAYABLE (Continued)

Louisiana Local Government Environmental Facilities and Community Development Authority

By resolution of the Board of Directors on December 1, 2001, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$497,694. The Board of Directors entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to borrow \$497,694 interest free through the issuance of Qualified Zone Academy Bonds (QZAB's) payable over thirteen years. At June 30, 2007 the school had drawn down \$295,890, during 2008 the remaining available funds of \$201,804 were drawn. Future debt service requirements are as follows:

Fiscal Year	<u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2009	36,196	-	36,196
	2010	36,196	-	36,196
	2011	36,196	-	36,196
	2012	36,196	-	36,196
	2013	36,196	-	36,196
	2014-2016	90,490	-	90,490
Totals		\$ 271,470	\$ -	\$ 108,588

NOTE G – NET ASSETS

Designated

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

Restricted

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

USDA \$1,600,000 Loan - The loan covenant for the outstanding loan with the USDA requires a reserve account deposit each month in the amount \$950 until the amount on deposit is equal to the reserve fund requirement. The reserve account was funded in the amounts of \$96,161 and \$82,145 at June 30, 2008 and June 30, 2007 respectively and these funds are presented as restricted net assets on the financial statements.

Combined USDA Loans - \$1,100,000, \$7,502,000, and \$2,200,000 – The loan covenant for the outstanding loans with the USDA requires reserve account deposits each month totaling \$5,048 until the amount on deposit is equal to the reserve fund requirement of \$583,213 for the three loans. The reserve account was established by reclassifying funds designated for debt service in the amount of \$332,738 at the beginning of the year. Additional amounts of funding during the current fiscal year totaled \$66,935. The balance at June 30, 2008 for this fund was \$404,009.

These funds are presented as restricted net assets on the financial statements.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE G – NET ASSETS (CONTINUED)

Restricted (Continued)

Individual Loan Requirements are as follows:

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

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

USDA \$2,200,000 Loan – Loan reserve requirements for the USDA Loan Resolution Security Agreement for the \$2,200,000 note requires the establishment of a Reserve account to be funded at a rate of \$1,125.00 each month until there is accumulated in that account the sum of \$112,464.

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

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

NOTE H – CHANGES IN DESIGNATED AND RESTRICTED NET ASSETS

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

	Net Assets 6/30/2007	Interest Earned	Additions	Reductions	Net Assets 6/30/2008
Designated	\$ 3,430,560	\$ 105,844	\$ 1,482,020	\$ 1,524,474	\$ 3,493,950
Restricted	\$ 82,145	4,513	413,523	12	\$ 500,170
	<u>\$ 3,512,705</u>	<u>\$ 110,357</u>	<u>\$ 1,895,543</u>	<u>\$ 1,524,486</u>	<u>\$ 3,994,119</u>

NOTE I – SCHOOL ACTIVITY DEPOSITS DUE TO OTHERS

The school acts as custodian for several student activity bank accounts. Funds held on behalf of these groups amounted to \$14,632 and \$ 45,276 at June 30, 2008 and 2007 respectively, and are reported as both an asset (restricted cash) and a liability (Due to others). Consequently, there is no effect on the school's net assets.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE J – RETIREMENT SYSTEMS

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

A. Teachers' Retirement System of Louisiana (TRS)

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

Funding Policy. Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School is required to contribute at an actuarially determined rate. The current rate is 15.8 percent of annual covered payroll for all three membership plans. Member contributions and employer's contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations and by remittances from the School.

The School's contributions to the TRS for the years ending June 30, 2008, 2007, and 2006 were \$423,517, \$336,463, \$292,231, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LSERS)

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

Funding Policy. Plan members are required to contribute 7.5 percent of their annual covered salary, and the school board is required to contribute at an actuarially determined rate. The current rate is 19.6 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law, and rates are established by the Public Retirement Systems' Actuarial Committee. The School's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The School's contributions to the LSERS for the year ending June 30, 2008, 2007, and 2006 were \$26,048, \$11,171, and \$8,217, respectively, equal to the required contributions for each year.

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Notes to Financial Statements (continued)
June 30, 2008 and 2007

NOTE K – COMPENSATED ABSENCES

The school has the following policy relating to annual leave:

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

NOTE L – DONATED SERVICES

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

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

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

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

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

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

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Avoyelles Public Charter School, Inc. and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Avoyelles Public Charter School, Inc. and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

1. I reconciled amounts reported in Schedule 1 in the categories listed below to respective general ledger account balances to determine that Expenditures/Revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

No significant differences noted.

Education Levels of Public School Staff (Schedule 2)

2. I reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school supporting payroll records as of October 1st.

No differences noted.

3. I reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

No differences noted.

4. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. I traced a population of 12 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

No differences noted.

Number and Type of Public Schools (Schedule 3)

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

No differences noted.

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

6. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No differences noted.

Public Staff Data (Schedule 5)

7. I obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a population of 12 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences noted.

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

No differences noted.

Class Size Characteristics (Schedule 6)

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

No differences noted.

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

10. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Avoyelles Public Charter School, Inc..

No differences noted.

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

11. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Avoyelles Public Charter School, Inc.

No differences noted.

The iLEAP Tests (Schedule 9)

12. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Avoyelles Public Charter School, Inc.

No differences noted.

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

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

W. Kathleen Beard, CPA

Erwinville, Louisiana
January 13, 2009

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

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2008**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,244,614	
Other Instructional Staff Activities	24,269	
Employee Benefits	466,546	
Purchased Professional and Technical Services	28,936	
Instructional Materials and Supplies	141,289	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>1,905,654</u>	\$ 1,905,654

Other Instructional Activities 224,878

Pupil Support Activities	7,704	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		7,704

Instructional Staff Services	41,262	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		<u>41,262</u>

School Administration	214,576	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>214,576</u>

Total General Fund Instructional Expenditures \$ 2,394,074

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

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

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

**AVOYELLES PUBLIC CHARTER SCHOOL
MANSURA, LOUISIANA**

**Education Levels of Public School Staff
As of October 1, 2007**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	18	56%	8	25%	1	100%	0	0%
Master's Degree	2	6%	4	13%	0	0%	0	0%
Master's Degree + 30	0	0%	0	0%	0	0%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
Total	20	62%	12	38%	1	100%	0	0%

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
MANSURA, LOUISIANA****Number and Type of Public Schools
For the Year Ended June 30, 2008**

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

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

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

**Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2007**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	0	0	0	0	0
Principals	0	0	0	1	0	0	0	1
Classroom Teachers	11	5	6	5	5	0	0	32
Total	11	5	6	6	5	0	0	33

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

**Public School Staff Data
For the Year Ended June 30, 2008**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 37,894.99	\$ 37,201.69
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 37,358.25	\$ 36,692.70
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	30.6575	27.3729

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

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

**Class Size Characteristics
As of October 1, 2007**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0%	0	0%	0	0%	0	0%	0
Elementary Activity Classes	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	0%	0	0%	0	0%	0	0%	0
High Activity Classes	0%	0	0%	0	0%	0	0%	0
Combination	0%	0	16%	4	84%	21	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

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

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

**Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2008**

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0%	1	2%	5	9%	1	2%	0	0%	1	2%
Mastery	16	27%	6	11%	11	20%	15	25%	7	12%	18	33%
Basic	28	47%	28	49%	29	54%	32	53%	33	58%	21	39%
Approaching Basic	10	17%	17	29%	8	15%	8	13%	13	23%	10	19%
Unsatisfactory	5	8%	5	9%	1	2%	4	7%	4	7%	4	7%
Total	59	99%	57	100%	54	100%	60	100%	57	100%	54	100%

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	2%	0	0%	1	2%	1	2%	0	0%	3	6%
Mastery	13	25%	8	18%	9	19%	6	12%	5	11%	7	15%
Basic	22	42%	26	58%	20	42%	26	49%	30	67%	27	56%
Approaching Basic	12	23%	9	20%	16	33%	16	31%	9	20%	11	23%
Unsatisfactory	4	8%	2	4%	2	4%	3	6%	1	2%	0	0%
Total	52	100%	45	100%	48	100%	52	100%	45	100%	48	100%

**The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2008**

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	0	0%	1	3%	0	0%	5	9%	2	6%	4	16%
Mastery	7	13%	8	23%	5	20%	15	27%	7	20%	7	28%
Basic	37	67%	17	50%	15	60%	24	44%	17	50%	12	48%
Approaching Basic	9	16%	4	12%	5	20%	6	11%	2	6%	2	8%
Unsatisfactory	2	4%	4	12%	0	0%	5	9%	6	18%	0	0%
Total	55	100%	34	100%	25	100%	55	100%	34	100%	25	100%

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11					N/A						N/A	
Advanced	5	11%	0	0%			0	0%	0	0%		
Mastery	12	26%	7	23%			8	17%	1	3%		
Basic	17	36%	14	45%			27	59%	21	68%		
Approaching Basic	9	20%	9	29%			10	22%	7	23%		
Unsatisfactory	3	7%	1	3%			1	2%	2	6%		
Total	46	100%	31	100%			46	100%	31	100%		

ILEAP Tests

For the Year Ended June 30, 2008, 2007 and 2006

District Achievement Level Results	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	2%	3	5%	1	2%	3	5%
Mastery	12	20%	3	5%	8	14%	7	12%
Basic	28	48%	30	51%	31	52%	29	49%
Approaching Basic	15	25%	16	27%	17	29%	17	29%
Unsatisfactory	3	5%	7	12%	2	3%	3	5%
Total	59	100%	59	100%	59	100%	59	100%

District Achievement Level Results	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	1	2%	0	0%	1	0%
Mastery	10	18%	7	13%	10	18%	5	9%
Basic	29	52%	33	58%	26	46%	35	63%
Approaching Basic	14	25%	10	18%	16	29%	12	23%
Unsatisfactory	3	5%	5	9%	4	7%	3	5%
Total	56	100%	56	100%	56	100%	56	100%

District Achievement Level Results	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	3	6%	4	7%	1	2%	2	4%
Mastery	2	4%	4	7%	7	13%	2	4%
Basic	34	62%	35	65%	35	64%	28	51%
Approaching Basic	10	19%	8	15%	9	17%	16	30%
Unsatisfactory	5	9%	3	6%	2	4%	6	11%
Total	54	100%	54	100%	54	100%	54	100%

District Achievement Level Results	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	2%	1	2%	0	0%	0	0%
Mastery	8	15%	6	11%	2	4%	3	6%
Basic	32	60%	40	75%	28	53%	38	71%
Approaching Basic	9	17%	4	8%	16	30%	9	17%
Unsatisfactory	3	6%	2	4%	7	13%	3	6%
Total	53	100%	53	100%	53	100%	53	100%

District Achievement Level Results	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9								
Advanced	1	2%	0	0%				
Mastery	7	17%	3	7%				
Basic	26	64%	32	78%				
Approaching Basic	3	7%	4	10%				
Unsatisfactory	4	10%	2	5%				
Total	41	100%	41	100%				

ILEAP Tests
For the Year Ended June 30, 2008, 2007 and 2006

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		Science 2007		Social Studies 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	2%	0	0%	4	7%	3	5%
Mastery	13	23%	7	13%	6	11%	15	27%
Basic	30	54%	28	50%	32	57%	28	50%
Approaching Basic	12	21%	17	30%	14	25%	9	16%
Unsatisfactory	0	0%	4	7%	0	0%	1	2%
Total	56	100%	56	100%	56	100%	56	100%

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		Science 2007		Social Studies 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	3	6%	0	0%	0	0%	1	2%
Mastery	7	13%	9	17%	9	17%	4	7%
Basic	27	51%	26	49%	18	34%	30	57%
Approaching Basic	8	15%	9	17%	21	40%	13	25%
Unsatisfactory	8	15%	9	17%	5	9%	5	9%
Total	53	100%	53	100%	53	100%	53	100%

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		Science 2007		Social Studies 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	6	10%	5	9%	4	7%	2	3%
Basic	26	45%	35	60%	30	52%	31	54%
Approaching Basic	18	31%	11	19%	17	29%	18	31%
Unsatisfactory	8	14%	7	12%	7	12%	7	12%
Total	58	100%	58	100%	58	100%	58	100%

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		Science 2007		Social Studies 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	4%	3	6%	0	0%	0	0%
Mastery	8	15%	7	13%	6	11%	4	8%
Basic	23	43%	31	59%	21	40%	31	59%
Approaching Basic	18	34%	7	13%	19	36%	14	25%
Unsatisfactory	2	4%	5	9%	7	13%	4	8%
Total	53	100%	53	100%	53	100%	53	100%

District Achievement Level Results	English Language Arts 2007		Mathematics 2007		Science 2007		Social Studies 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9								
Advanced	2	4%	4	9%				
Mastery	10	23%	6	13%				
Basic	22	49%	22	49%				
Approaching Basic	9	20%	5	11%				
Unsatisfactory	2	4%	8	18%				
Total	45	100%	45	100%				

ILEAP Tests
For the Year Ended June 30, 2008, 2007 and 2006

District Achievement Level Results	English Language Arts 2006		Mathematics 2006		Science 2006		Social Studies 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	2	3%	2	3%	0	0%	0	0%
Mastery	13	22%	7	12%	7	12%	6	10%
Basic	28	49%	29	51%	28	48%	38	66%
Approaching Basic	7	12%	13	22%	19	33%	10	17%
Unsatisfactory	8	14%	7	12%	4	7%	4	7%
Total	58	100%	58	100%	58	100%	58	100%

District Achievement Level Results	English Language Arts 2006		Mathematics 2006		Science 2006		Social Studies 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	2%	2	4%	1	2%	0	0%
Mastery	12	21%	7	13%	6	11%	4	7%
Basic	24	43%	27	48%	22	38%	25	45%
Approaching Basic	12	21%	12	21%	20	36%	17	30%
Unsatisfactory	7	13%	8	14%	7	13%	10	18%
Total	56	100%	56	100%	56	100%	56	100%

District Achievement Level Results	English Language Arts 2006		Mathematics 2006		Science 2006		Social Studies 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	2%	1	2%	0	0%	0	0%
Mastery	10	18%	7	13%	1	2%	2	4%
Basic	28	50%	27	48%	24	43%	26	46%
Approaching Basic	12	21%	12	21%	22	39%	18	32%
Unsatisfactory	5	9%	9	16%	9	16%	10	18%
Total	56	100%	56	100%	56	100%	56	100%

District Achievement Level Results	English Language Arts 2006		Mathematics 2006		Science 2006		Social Studies 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	3	6%	1	2%	2	4%	0	0%
Mastery	9	19%	3	6%	4	8%	5	10%
Basic	23	48%	33	69%	23	49%	28	58%
Approaching Basic	13	27%	6	13%	14	29%	9	19%
Unsatisfactory	0	0%	5	10%	5	10%	6	13%
Total	48	100%	48	100%	48	100%	48	100%

District Achievement Level Results	English Language Arts 2006		Mathematics 2006		Science 2006		Social Studies 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9								
Advanced	3	9%	5	15%				
Mastery	8	23%	3	9%				
Basic	18	53%	20	58%				
Approaching Basic	3	9%	5	15%				
Unsatisfactory	2	6%	1	3%				
Total	34	100%	34	100%				

INFORMATION REQUIRED BY OMB CIRCULAR A-133

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

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

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

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

I have audited the compliance of Avoyelles Public Charter School, Inc. (a nonprofit organization) with types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Avoyelles Public Charter School, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Avoyelles Public Charter School's management. My responsibility is to express an opinion on Avoyelles Public Charter School's compliance based on my audit.

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

In my opinion, Avoyelles Public Charter School, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control over Compliance

The management of Avoyelles Public Charter School, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Avoyelles Public Charter School's internal control over

compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Avoyelles Public Charter School, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

W. Kathleen Beard, CPA

January 13, 2009

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Mansura, Louisiana
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2008

<u>Federal Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture: Pass-through programs from: Louisiana Department of Education - National School Lunch Program	10.555	-	\$ 119,324
U.S. Department of Education Direct Programs: Rural Education Achievement Program (REAP)	84.358A	-	20,330
Pass-through programs from: Louisiana Department of Education - Title I - Grants to Local Educational Agencies - Part A - Basic	84.010A	28-05-T1-7A	271,529
Special education Grants to States - IDEA Part B	84.027A	28-05-B1-7A	97,934
Special education Preschool Grants	84.173A	28-05-P1-7A	2,147
Title IV - Safe & Drug-Free Schools & Communities	84.186A	28-05-70-7A	2,155
Title V - Innovative Education Program Strategies	84.298A	28-05-80-7A	1,016
Title II - Teacher & Principal Training & Recruitment Fund	84.367A	28-05-50-7A	27,148
The Universal Service Administrative Company (USAC) Federal Communications Commission (FCC) Universal Service Fund - Schools & Libraries (E-Rate)	N/A		<u>31,136</u>
Total expenditures of federal awards			<u><u>\$572,719</u></u>

Notes to Schedule of Expenditures of Federal Awards:

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

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Summary Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008**

I have audited the basic financial statements of Avoyelles Public Charter School, Inc., as of and for the year ended June 30, 2008, and have issued my report thereon dated January 13, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. My audit of the financial statements as of June 30, 2008 resulted in an unqualified opinion.

Section I – Summary of Auditor’s Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Compliance

Compliance Material to the Financial Statements Yes No

Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion on Compliance For Major Programs

Unqualified Qualified Disclaimer Adverse

The programs tested as major programs included:

U. S. Dept of Education Title I – Grants to Local Educational Agencies Part A

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

Avoyelles Public Charter School, Inc. was determined to be a low-risk auditee.

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

Was a management letter issued? Yes No

AVOYELLES PUBLIC CHARTER SCHOOL, INC.
Summary Schedule of Findings and Questioned Costs
And Management's Corrective Action Plan
For the Year Ended June 30, 2008

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

2008 -1: Condition: There was no public advertisement for bids for the purchase of materials and supplies costing in excess of \$20,000. No internal control procedures exist to trigger procedures necessary for compliance with Louisiana's Public Bid Law.

Criteria: Louisiana Revised Statute 38:2212.1 requires certain procedures be performed prior to purchase of materials and supplies exceeding various cost thresholds. The required procedure of advertising for bids for the purchase of materials and supplies costing \$20,000 or more was not performed.

Cause: Oversight

Recommendation: Internal control over purchasing should be improved to require all potential purchases of material and supplies be evaluated for bid law requirements. Supporting documentation of procedures performed should be maintained in a file, including state contracts for purchases via State Purchasing office.

Management's Response and Corrective Action Plan: Management agrees with the finding and will institute procedures to ensure compliance with this requirement. Personnel responsible for purchasing will be cognizant of all requirements of LA RS 38:2212.1 and will evaluate potential purchases for compliance requirements of this law. Personnel responsible for purchasing will also become familiar with the Office of State Purchasing website and will utilize it as a tool for future compliance requirements. Supporting documentation will be maintained.

Section III – Management Letter

No management letter issued.

**Avoyelles Public Charter School, Inc.
Summary Schedule of Prior Year Findings
Year Ended June 30, 2008**

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

No findings noted.

Section II – Internal Control and Compliance Material to Federal Awards

No findings noted.

Section III – Management Letter

No management letter issued