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ALGIERS CHARTER SCHOOLS ASSOCIATION
FINANCIAL REPORT
For the Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/21/10

ALGIERS CHARTER SCHOOLS ASSOCIATION

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FINANCIAL SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Algiers Charter Schools Association
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Algiers Charter Schools Association ("ACSA") (A Nonprofit Organization and a component unit of Orleans Parish School Board), as of and for the year ended June 30, 2009, which collectively comprise ACSA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of ACSA'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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of ACSA as of June 30, 2009, and the respective changes in financial position 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 our report dated December 31, 2009 on our consideration of ACSA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Management's Discussion and Analysis and budgetary comparisons on pages 3 through 5 and 22 and 23, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standard Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise ACSA's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards on page 29 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 of ACSA. The Schedule of Expenditures of Federal Awards 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.

Rebowe & Company

December 31, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

ALGIERS CHARTER SCHOOLS ASSOCIATION
Management Discussion and Analysis
For the Year Ended June 30, 2009

Algiers Charter Schools Association (“ACSA”) management’s discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the financial activity of the two schools which it operates, identify ACSA’s financial position and its ability to address the next and subsequent years’ challenges. It also identifies any material deviations from the financial plan and identifies individual school issues or concerns. This is a requirement of the Governmental Accounting Standards Board in their Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and is intended to provide the financial results for the year ended June 30, 2009. The following is an illustration of how these financial reports are presented.

GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements provide a perspective of ACSA as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets combines and consolidates governmental funds’ current financial resources with capital assets and long-term obligations, regardless of whether they are currently available or not.

Consistent with the full accrual basis method of accounting the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user’s analysis of the costs of various school services.

Fund Financial Statements

The fund statements are similar to financial presentations of typical governmental agencies focusing on ACSA’s Major Funds. The fund statements are reported using the modified accrual accounting method. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as assets. Fund types include the General Fund, Special Revenue funds and a Fiduciary Fund. The General Fund is used primarily to account for the general education requirements of the ACSA. Its revenues are derived from state and federal grants. The Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. The Fiduciary Fund accounts for assets held by the ACSA in a trustee capacity as an agent for various student groups and parents.

**TABLE 1
NET ASSETS**

ASSETS		
Current and other assets	\$	7,688,360
Capital assets, net		1,510,653
Total Assets		9,199,013
LIABILITIES		
Current liabilities		2,252,085
Non-current liabilities		14,970
Total Liabilities		2,267,055
NET ASSETS		
Invested in capital assets, net of related debt		1,510,653
Unrestricted		5,421,305
Total Net Assets	\$	6,931,958

**TABLE 2
CHANGES IN NET ASSETS**

REVENUE		
Program Revenues:		
Charges for Services	\$	81,613
Operating grants and contributions		4,668,573
General Revenues:		0
Minimum Foundation Program		11,666,589
Contributions and donations		1,000
Interest and investment earnings		32,953
Total Revenues		16,450,728
EXPENSE		
Instruction:		
Regular		5,972,273
Special Education		1,425,979
Other		208,095
Special Programs		1,038,701
Support Services:		0
Student services		649,221
Instructional staff support		1,614,468
General administration		261,697
School administration		1,100,450
Business Services		436,332
Operation and maintenance of plant		1,386,539
Student transportation services		692,625
Central Services		977,727
Food service		438,881
Total Expenses		16,202,988
Increase in Net Assets		247,740
Net Assets, Beginning of Year		6,684,218
Net Assets, End of Year	\$	6,931,958

Minimum Foundation Program

A significant portion of state funding to ACSA is the Minimum Foundation Program (MFP). The MFP is funding from the state and local government for each student and is established annually. ACSA's MFP funding was \$11,666,589 for the 2008-2009 school year.

Title I Grant

This grant is a federally funded grant that is passed through the State Board of Education to help local schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging state academic standards. As of June 30, 2009, \$1,933,645 was expended and received.

Economic Factors and Next Year's Budget

In the 2009/2010 school year, ACSA expects a projected combined enrollment of 1,465 students for Alice M. Harte Elementary and Edna Karr Senior High.

The majority of revenues are from the MFP. The projected MFP funding for the 2009/2010 school year, which is based on student count, should total approximately \$11.4 million. Based on information received from the state, ACSA anticipates receiving federal grants for the 2009/2010 school year totaling \$2.1 million. ACSA will budget expenses according to the projected revenues however ACSA expects to make adjustments as the actual revenues change. ACSA plans to have little or no surplus at June 30, 2010. ACSA anticipates that while they will have to expend these funds throughout the year, they will be seeking reimbursement during the school year as opposed to claims at the end of the year.

Contacting ACSA's Financial Management

While this financial report is designed to provide full and complete disclosure of the financial condition and operations of ACSA, citizens groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Algiers Charter Schools Association, 3712 MacArthur, Suite 100A, New Orleans, LA 70114, or by calling (504) 302-7000 during regular office hours, Monday through Friday, 9:00 a.m. to 5:00 p.m., Central Standard Time, or e-mail at Stuart.Gay@theacsa.org.

BASIC FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENT OF NET ASSETS
June 30, 2009

	<u>Governmental</u> <u>Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,650,601
Receivables:	
Intergovernmental	4,969,455
Other	5,084
Prepaid expenses	61,120
Deposits	2,100
Invested in capital assets, net of related debt	<u>1,510,653</u>
Total assets	<u>9,199,013</u>
<u>LIABILITIES</u>	
Accounts payable	345,211
Accrued expenses	1,446,815
Due to pooled cash, net	159,270
Due to other governments	51,026
Long-term liabilities	
Due within one year	249,763
Due in more than one year	<u>14,970</u>
Total liabilities	<u>2,267,055</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	1,510,653
Unrestricted	<u>5,421,305</u>
Total net assets	<u>\$ 6,931,958</u>

The notes to the financial statements are an integral part of this statement.

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 5,972,273	\$ -	\$ 1,605,315	\$ (4,366,958)
Special Education	1,425,979	-	81,945	(1,344,034)
Other	208,095	-	9,711	(198,384)
Special Programs	1,038,701	-	1,054,315	15,614
Support Services				
Student Services	649,221	-	158,768	(490,453)
Instructional staff support	1,614,468	-	922,783	(691,685)
General administration	261,697	-	38,983	(222,714)
School Administration	1,100,450	-	233,782	(866,668)
Business Services	436,332	-	10,168	(426,164)
Plant Services	1,386,539	-	49,308	(1,337,231)
Student transportation services	692,625	-	24,863	(667,762)
Central Services	977,727	-	36,888	(940,839)
Food Services	438,881	81,613	441,744	84,476
Total governmental activities	\$ 16,202,988	\$ 81,613	\$ 4,668,573	\$ (11,452,802)
General Revenues:				
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				11,666,589
Contributions & donations				1,000
Interest Income				32,953
Total general revenues				11,700,542
Change in net assets				247,740
Net assets, beginning of year (as restated)				6,684,218
Net assets, ending of year				\$ 6,931,958

The notes to the financial statements are an integral part of this statement.

ALGIERS CHARTER SCHOOLS ASSOCIATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	School Funds					Special Revenue Funds					Total Governmental Funds
	General Fund	Harte	Karr	General Fund	Harte	Karr	Interfund Eliminations	Governmental Funds			
ASSETS											
Cash and cash equivalents	\$ 2,650,601	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,650,601
Receivables:											
Grants	-	101,350	(118,195)	62,286	2,354,975	2,569,039	-	-	-	-	4,969,455
Other	1,123	1,520	2,441	-	-	-	-	-	-	-	5,084
Due from - pooled cash	-	3,923,896	5,304,541	-	-	-	(9,228,437)	-	-	-	-
Prepaid expenses	-	28,068	33,052	-	-	-	-	-	-	-	61,120
Deposits	-	1,050	1,050	-	-	-	-	-	-	-	2,100
Total Assets	\$ 2,651,724	\$ 4,055,884	\$ 5,222,889	\$ 62,286	\$ 2,354,975	\$ 2,569,039	\$ (9,228,437)	\$ (9,228,437)	\$ (9,228,437)	\$ (9,228,437)	\$ 7,688,360
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 38,589	\$ 35,453	\$ 136,896	\$ 20,926	\$ 44,281	\$ 69,066	\$ -	\$ -	\$ -	\$ -	\$ 345,211
Accrued expenditures	1,446,224	-	591	-	-	-	-	-	-	-	1,446,815
Due to - pooled cash	4,433,443	-	-	76,988	2,375,111	2,502,165	(9,228,437)	(9,228,437)	(9,228,437)	(9,228,437)	159,270
Due to other governments	-	25,513	25,513	-	-	-	-	-	-	-	51,026
Total Liabilities	5,918,256	60,966	163,000	97,914	2,419,392	2,571,231	(9,228,437)	(9,228,437)	(9,228,437)	(9,228,437)	2,002,322
Fund balances											
Unreserved, undesignated	(3,266,532)	3,994,918	5,059,889	(35,628)	(64,417)	(2,192)	-	-	-	-	5,686,038
Total Fund Balances	(3,266,532)	3,994,918	5,059,889	(35,628)	(64,417)	(2,192)	-	-	-	-	5,686,038
Total Liabilities and Fund Balances	\$ 2,651,724	\$ 4,055,884	\$ 5,222,889	\$ 62,286	\$ 2,354,975	\$ 2,569,039	\$ (9,228,437)	\$ (9,228,437)	\$ (9,228,437)	\$ (9,228,437)	\$ 7,688,360

The notes to the financial statements are an integral part of this statement.

ALGIERS CHARTER SCHOOLS ASSOCIATION
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
June 30, 2009

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds at June 30, 2009		\$ 5,686,038
Cost of capital assets at June 30, 2009	2,410,855	
Less accumulated depreciation as of June 30, 2009	<u>(900,202)</u>	1,510,653
Long-term liabilities at June 30, 2009		
Compensated absences payable		<u>(264,733)</u>
Net Assets at June 30, 2009		<u>\$ 6,931,958</u>

The notes to the financial statements are an integral part of this statement.

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	School Funds				Special Revenue Funds				Total Governmental Funds
	Central Office	Harte	Karr	Central Office	Harte	Karr	Karr		
REVENUES									
State public school funding	\$ -	\$ 5,032,118	\$ 6,634,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,666,589
Other state funding	25	125,545	67,813	-	33,702	49,549	-	276,634	3,777,011
Federal grants	-	-	-	83,263	1,525,259	2,168,489	-	313,353	1,000
School food reimbursement	-	-	-	-	190,314	123,039	-	-	32,953
Donations and contributions	923	77	-	-	-	-	-	-	383,188
Interest income	32,953	-	-	-	-	-	-	-	-
Other revenue	15,750	11,843	6,812	12,400	168,745	167,638	-	-	-
Total Revenues	49,651	5,169,583	6,709,096	95,663	1,918,020	2,508,715	2,508,715	16,450,728	
EXPENDITURES									
Salaries and benefits	810,143	3,539,213	4,057,123	40,449	1,185,706	1,390,828	-	11,023,462	583,449
Professional and technical services	152,618	71,573	204,747	47,358	48,062	59,091	-	306,008	1,157,057
Travel	26,367	4,422	44,220	6,412	104,801	119,786	-	293,072	62,346
Supplies	55,803	27,297	157,404	11,450	361,115	543,988	-	192,050	419,629
Utilities	28,537	90,040	155,058	-	9,904	9,533	-	124	692,625
Rent	36,808	11,753	13,390	-	128	267	-	605	124,052
Insurance	12,892	79,521	98,409	-	623	623	-	124	283,320
Repairs and maintenance	6,532	49,010	68,386	-	224,697	194,932	-	(8,871)	627,255
Food Service	-	-	-	-	-	-	-	-	-
Transportation	-	268,685	412,521	99	11,320	119,932	-	-	-
Property	-	15,451	12,734	-	76,179	283,320	-	-	-
Other	-	267,726	379,092	191	(10,883)	(8,871)	-	-	-
Total Expenditures	1,129,700	4,424,691	5,603,084	105,959	2,011,652	2,593,603	2,593,603	15,868,689	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,080,049)	744,892	1,106,012	(10,296)	(93,632)	(84,888)	(84,888)	582,039	
Net Changes in Fund Balances	(1,080,049)	744,892	1,106,012	(10,296)	(93,632)	(84,888)	(84,888)	582,039	
Fund Balances, Beginning of Year (as related)	(2,186,483)	3,250,026	3,953,877	(25,332)	29,215	82,696	82,696	5,103,999	
Fund Balances (Deficit), End of Year	\$ (3,266,532)	\$ 3,994,918	\$ 5,059,889	\$ (35,628)	\$ (64,417)	\$ (2,192)	\$ (2,192)	\$ 5,686,038	

The notes to the financial statements are an integral part of this statement.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009**

Amounts reported for governmental activities in the Statement of Activities are different because:

Total net change in fund balances - Governmental Funds	\$ 582,039
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Governmental Funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	387,684	
Depreciation expense	<u>(457,250)</u>	(69,566)

In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).

Compensated absences earned exceeded the amounts used by	<u>(264,733)</u>
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Change in Net Assets of Governmental Activities	<u><u>\$ 247,740</u></u>
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The notes to the financial statements are an integral part of this statement.

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ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Algiers Charter Schools Association (“ACSA”) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

1. REPORTING ENTITY

The Orleans Parish School Board (“OPSB”) authorized by the Charter School Demonstration Programs Law and approved by the State Board of Elementary and Secondary Education (“BESE”), granted to ACSA, a nonprofit organization organized under the laws of the State of Louisiana and exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, charters to operate one high school and one elementary school. The charters are valid for an initial period of five (5) years commencing on November 1, 2005 and ending on August 1, 2010.

As authorized by the operating agreement between OPSB and ACSA, ACSA operates the following schools:

Alice M. Harte Elementary
Edna Karr Senior High

Although the schools listed above are the responsibility of ACSA, ACSA is recognized as a component unit of OPSB, as defined by Government Accounting Standards Board Statement No. 14, as amended by Statement No. 39. The accompanying financial statements present information only on the funds maintained by ACSA and do not present information on the OPSB.

In addition to the two (2) schools operated under the charter agreement with OPSB, ACSA operates seven (7) schools under a charter agreement with BESE. These seven (7) schools, Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, Harriet R. Tubman Elementary, and O. Perry Walker Senior High, are reported separately. Because the Central Office provides services to all nine (9) charter schools, these funds are allocated between the two entities based on the attendance of the various schools.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) display information about the reporting entity as a whole, except for the fiduciary activities of ACSA. For the most part, the effect of interfund activity has been removed from these statements.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. OPSB funding and other items not meeting the definition of program revenues are reported as *general revenues*.

The fund financial statements are used by ACSA to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain ACSA functions and activities. ACSA reports the following fund types:

Governmental funds:

The General Fund is ACSA's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. ACSA reports a special revenue fund for each school under its operation.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

of the current period. For this purpose, ACSA considers revenues to be available if they are collected within 60 days after the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. At June 30, 2009, the general fund and all special revenue funds were major funds.

When both restricted and unrestricted resources are available for use, it is ACSA's policy to use restricted resources first, then unrestricted resources as they are needed.

4. BUDGETARY ACCOUNTING

Budget Policies - Prior to the beginning of each year, an annual operating budget is prepared on the modified accrual basis for the General and Special Revenue Funds, the only fund types having legally adopted annual budgets.

The Director, in consultation with the staff, prepares ACSA's annual operating budget. The budget is based on the expected OPSB allocated revenues and other projected revenues for pupil expenditures. The Director presents the budget to ACSA's Board of Directors for review and revision. Finally, at an open meeting of the Board, the proposed budget is presented. The Board adopts the operating budget.

If, during the course of the fiscal year, it becomes evident that the estimated revenues, expenditures or ending fund balance may vary, then the Director shall inform ACSA's Board of such variances. Based on the information submitted, the Board of Directors of ACSA will adopt an amended budget and will seek ways to generate additional revenues, if necessary.

All appropriations lapse at fiscal year end.

The budget data is reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, (see pages 22 to 23).

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. CASH AND CASH EQUIVALENTS

Cash includes the amounts in demand deposits and interest – bearing demand deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less.

6. INTERFUND TRANSACTIONS

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from pooled cash”. Short-term interfund loans are reported as “interfund receivables and payables”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

7. CAPITAL ASSETS

Capital assets are reported in the government-wide financial statements. Capital assets are defined by ACSA as assets with an initial individual cost of more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation on all capital assets is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life</u>
Building and Improvements	20 to 50
Office Equipment	4 to 10

In the fund financial statements, capital assets used in governmental fund operations are accounted for as property expenditures of the governmental fund upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets’ lives are not capitalized.

If the charter agreement of ACSA is revoked or ACSA otherwise ceases to operate, all assets purchased with any public funds become the property of the OPSB.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. COMPENSATED ABSENCES

ACSA compensates employees entitled to paid leave using their base hourly rate, excluding shift premiums and overtime compensation, if any.

Paid time off – All employees will earn two days of paid time off per month, up to ten (10) paid days off accrued in the year for 11-month, 10-month, 9.75-month and 9.5-month employees and up to 24 days off accrued in the year for 12-month employees. ACSA employees have the right to carry over no more than fifteen (15) paid days off into the succeeding school year.

9. FUNDING SOURCES

ACSA receives its support primarily from the Louisiana State Department of Education and the United States Department of Education.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ACSA uses the direct write-off method of writing off uncollectible receivables.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills 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.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2009**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. DEFERRED REVENUE

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

11. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors; grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

12. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

NOTE B - CASH AND CASH EQUIVALENTS

Deposits

ACSA had the following cash as of June 30, 2009:

	Total
Governmental funds:	
Unrestricted	
Demand deposits	\$ 1,103,362
Time deposits	<u>1,547,239</u>
Total Deposits	<u>\$ 2,650,601</u>

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2009

NOTE B - CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial credit risk is the risk that, in the event of a bank failure, ACSA's deposits might not be recovered. ACSA does not have a deposit policy for custodial credit risk. At June 30, 2009, ACSA's deposit bank balances of \$1,216,356 were entirely secured by federal deposit insurance and pledged securities held by ACSA's agent in ACSA's name.

NOTE C - RETIREMENT PLANS

ACSA offers eligible employees the opportunity to participate in the Teachers' Retirement System (TRS), a state retirement plan, for those employees who are eligible to participate. TRS issues a separate financial report that includes financial statements and required supplementary information. This report may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, LA 70804-9123
(225) 925-6446

1. *Plan Description*—All teachers and administrative employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State statute.

TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their last three years of compensation and the number of years that the employee was contributing to TRS.

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2009

NOTE C - RETIREMENT PLANS (CONTINUED)

2. *Contributions Required and Made*—Covered employees and ACSA are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plans are as follows:

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	16.6%

ACSA's contributions were \$1,309,173 for the year ended June 30, 2009.

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2009 are as follows:

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
General Fund	\$ 4,433,443	Harte	\$ 3,923,896
General Fund SR	76,988	Karr	<u>5,304,541</u>
Harte SR	2,375,111		
Karr SR	<u>2,502,165</u>		<u>\$ 9,228,437</u>
Total	<u>\$ 9,387,707</u>		

The above due to/from other funds were short-term receivables or payables resulting from the normal course of ACSA's operations.

The total due to and due from pooled cash do not reconcile because of the general fund allocation described in Note A. The elimination of the due to/due from pooled cash results in a "Due to Pooled Cash" balance of \$159,270. This amount is offset by an equal "Due from Pooled Cash" on the not-for-profit financial statements.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2009

NOTE E - CAPITAL ASSETS

A summary of changes in governmental fund type capital assets for the year ended June 30, 2009.

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2009</u>
Governmental Activities				
Capital assets being depreciated:				
Building and improvements	\$ 151,169	\$ -	\$ -	\$ 151,169
Office equipment	<u>1,872,002</u>	<u>387,684</u>	<u>-</u>	<u>2,259,686</u>
 Total capital assets being depreciated	 <u>2,023,171</u>	 <u>387,684</u>	 <u>-</u>	 <u>2,410,855</u>
Less accumulated depreciation for:				
Building and improvements	33,005	5,415	-	38,420
Office equipment	<u>409,947</u>	<u>451,835</u>	<u>-</u>	<u>861,782</u>
 Total accumulated depreciation	 <u>442,952</u>	 <u>457,250</u>	 <u>-</u>	 <u>900,202</u>
 Total capital assets being depreciated, net	 <u>1,580,219</u>	 <u>(-69,566)</u>	 <u>-</u>	 <u>1,510,653</u>
 Governmental Activities				
Capital assets, net	<u>\$1,580,219</u>	<u>\$ (69,566)</u>	<u>\$ -</u>	<u>\$1,510,653</u>

Depreciation expense was charged to functions/programs of ACSA as follows:

Instruction:		
Regular Programs		\$ 735
Special Education		3,681
Support services:		
Student services		\$ 4,169
Instructional staff support		106,303
General administration		29,596
School administration		2,973
Business services		99,061
Plant services		50,310
Central services		160,097
Food services		<u>325</u>
 Total depreciation expense - governmental activities		 <u>\$ 457,250</u>

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2009

NOTE F – CHANGES IN LONG-TERM DEBT

The following is a summary of the changes to general long-term obligations for the year ended June 30, 2009:

	<u>Compensated Absences</u>
Balance at June 30, 2008	\$ -
Additions	543,994
Deductions – payments and retirements	<u>(279,261)</u>
Balance at June 30, 2009	<u>\$ 264,733</u>

NOTE G - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

NOTE H - RISK MANAGEMENT

ACSA is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

NOTE I - CORRECTION OF AN ERROR

ACSA financial statements as of June 30, 2008 contained the following error: overstatement of revenues by \$1,492,034. Fund balances as of July 1, 2008 have been reduced by that amount to correct the error.

REQUIRED SUPPLEMENTARY INFORMATION

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HARTE SCHOOL FUND
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State public school funding	\$ 4,961,280	\$ 4,961,280	\$ 5,032,118	\$ 70,838
Other state funding	-	-	159,247	159,247
Federal grants	1,164,708	1,164,708	1,525,259	360,551
School food reimbursement	287,948	287,948	190,314	(97,634)
Donations and contributions	25,000	25,000	77	(24,923)
Other revenue	-	-	180,588	180,588
Total Revenues	<u>6,438,936</u>	<u>6,438,936</u>	<u>7,087,603</u>	<u>648,667</u>
Expenditures				
Salaries and benefits	4,894,146	4,894,146	4,724,909	(169,237)
Professional and technical services	233,874	233,874	119,635	(114,239)
Property services	182,418	182,418	364,764	182,346
Other services	716,325	716,325	626,172	(90,153)
Supplies and utilities	221,449	221,449	388,422	166,973
Property	91,974	91,974	91,630	(344)
Other	18,655	18,655	120,811	102,156
Total Expenditures	<u>6,358,841</u>	<u>6,358,841</u>	<u>6,436,343</u>	<u>77,502</u>
Excess of Revenues Over Expenditures	<u>80,095</u>	<u>80,095</u>	<u>651,260</u>	<u>571,165</u>
Fund Balances, Beginning of Year	<u>3,279,241</u>	<u>3,279,241</u>	<u>3,279,241</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,359,336</u>	<u>\$ 3,359,336</u>	<u>\$ 3,930,501</u>	<u>\$ 571,165</u>

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
KARR SCHOOL FUND
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State public school funding	\$ 6,217,104	\$ 6,217,104	\$ 6,634,471	\$ 417,367
Other state funding	-	-	117,362	117,362
Federal grants	1,253,149	1,253,149	2,168,489	915,340
School food reimbursement	200,813	200,813	123,039	(77,774)
Donations and contributions	25,000	25,000	-	(25,000)
Other revenue	-	-	174,450	174,450
Total Revenues	<u>7,696,066</u>	<u>7,696,066</u>	<u>9,217,811</u>	<u>1,521,745</u>
Expenditures				
Salaries and benefits	5,741,770	5,741,770	5,447,951	(293,819)
Professional and technical services	246,784	246,784	263,838	17,054
Property services	355,384	355,384	514,755	159,371
Other services	686,182	686,182	802,464	116,282
Supplies and utilities	306,120	306,120	701,392	395,272
Property	32,020	32,020	296,054	264,034
Other	65,841	65,841	170,233	104,392
Total Expenditures	<u>7,434,101</u>	<u>7,434,101</u>	<u>8,196,687</u>	<u>762,586</u>
Excess of Revenues Over Expenditures	<u>261,965</u>	<u>261,965</u>	<u>1,021,124</u>	<u>759,159</u>
Fund Balances, Beginning of Year	<u>4,036,573</u>	<u>4,036,573</u>	<u>4,036,573</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 4,298,538</u>	<u>\$ 4,298,538</u>	<u>\$ 5,057,697</u>	<u>\$ 759,159</u>

SINGLE AUDIT SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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Phone (504) 837-9116 • Fax (504) 837-0123 • www.rebowe.com

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

Board of Directors of
Algiers Charter Schools Association

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Algiers Charter Schools Association ("ACSA") as of and for the year ended June 30, 2009, which collectively comprise ACSA's basic financial statements and have issued our report thereon dated December 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered ACSA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACSA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control over financial reporting.

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency, Item 09-1, to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACSA'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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of ACSA's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies, and pass-through entities 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.

Rebowe & Company

December 31, 2009

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AWARDS PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors of
Algiers Charter Schools Association

Compliance

We have audited the compliance of Algiers Charter Schools Association (“ACSA”) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. ACSA’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 ACSA’s management. Our responsibility is to express an opinion on ACSA’s compliance based on our audit.

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

In our opinion, ACSA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

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

ACSA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit ACSA's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of Algiers Charter Schools Association's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies and pass-through entities 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.

Rebowe & Company

December 31, 2009

**ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Education</u>		
Passed-Through State Department of Education:		
ESEA of 1965, Title I, Part A	84.010	\$ 1,933,645
IDEA, Part B	84.027	91,535
Emergency Management System	84.184	10,796
ESEA of 1965, Title IV, Part A	84.186	21,196
Charter Schools	84.282	726,095
21st Century	84.287	207,356
ESEA of 1965, Title V, Part A	84.298	125,802
ESEA of 1965, Title II, Part A	84.367	352,373
Passed-Through Louisiana Endowment for the Humanities:		
Teaching American History	84.215	\$ 80,620
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>\$ 3,549,418</u>
<u>U.S. Department of Agriculture</u>		
Passed-Through State Department of Agriculture:		
National School Lunch Program		
Free and Reduced Price Meals	10.555	\$ 394,967
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>\$ 394,967</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 3,944,385</u>

The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
FOOTNOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2009**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **BASIC OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

2. **ACCRUED AND DEFERRED REIMBURSEMENT**

Various reimbursement procedures are used for federal awards received by ACSA. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year.

3. **PAYMENTS TO SUBRECIPIENTS**

There were no payments to subrecipients for the year ended June 30, 2009.

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the financial statements of the Algiers Charter Schools Association.
2. One (1) control deficiency disclosed during the audit of the financial statements is reported in the *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*. The control deficiency identified is considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of Algiers Charter Schools Association is reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditors' report on compliance with requirements applicable to major federal award programs for Algiers Charter Schools Association expresses an unqualified opinion.
6. The auditors' report disclosed no findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. A management letter was not issued for the year ended June 30, 2009.
8. The programs tested as major programs were:

	<u>CFDA No.</u>
ESEA of 1965, Title I, Part A	84.010
Charter Schools	84.282
ESEA of 1965, Title II, Part A	84.367
9. The threshold for distinguishing between type A and type B programs was \$300,000.
10. Algiers Charter Schools Association was determined to be a high-risk auditee.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Finding 09-1

Observation:

Our review of the client prepared June 30, 2009 unadjusted trial balance revealed that total federal financial assistance did not agree to the amount requested for reimbursement. As a result, material audit adjustments were required to properly state revenues in the current year financial statements.

Recommendation:

We recommend that ACSA develop and implement internal control procedures as it relates to revenues to ensure that revenues are recorded in the proper period.

Management's Corrective Action Plan:

We will implement the following procedures to ensure we properly record and monitor revenue:

- Monthly grant tracking will be reconciled by the Director of Budget and Revenue between the general ledger and the submitted claims.
- Receivables will only be recorded when claims are made.
- Governmental claims will be confirmed through signed receipts in order to effectively communicate with the Local Education Agency (LEA) and follow up email will be sent to the Special Revenue department to confirm receipt.
- Claims not reimbursed beyond 30 days will be added to an aged receivable schedule and followed up on by the controller or his/her designee through written communication.
- Journal entries in the general ledger for payroll/benefits will include individual file numbers in order to easily distinguish allocation and applicable employees to be claimed.

Contact

Stuart Gay, Chief Financial Officer, (504) 302-7000.

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings required to be reported in this section.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS
Year Ended June 30, 2009**

A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Finding 2008-01 – Beginning Net Assets

Resolved

B. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings required to be reported in this section.

C. MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2008.

PERFORMANCE STATISTICAL DATA

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors of
Algiers Charter Schools Association
New Orleans, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Algiers Charter Schools Association ("ACSA") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of ACSA 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. ACSA is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this 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 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, and
 - Nonpublic Transportation Revenue.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2008.
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 1, 2008 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule 3)

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

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 1, 2008 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined that 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 in the schedule.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2008 roll books for those classes and determined that the class was properly classified on the schedule.

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

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

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

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

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

No exceptions were found as a result of applying the above procedures.

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 information and use of management of Algiers Charter Schools Association, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be 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.

Rebowe & Company

December 31, 2009

ALGIERS CHARTER SCHOOLS ASSOCIATION
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2009
Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 4,123,656	
Other Instructional Staff Activities	530,766	
Employee Benefits	1,130,440	
Purchased Professional and Technical Services	83,213	
Instructional Materials and Supplies	116,211	
Less: Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u>5,984,286</u>	\$ 5,984,286

Other Instructional Activities 22,604

Pupil Support Activities	449,309	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	<u>449,309</u>	449,309

Instructional Staff Services	521,352	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u>521,352</u>	521,352

School Administration	880,266	
Less: Equipment for School Administration	-	
Net School Administration	<u>880,266</u>	880,266

Total General Fund Instructional Expenditures \$ 7,857,817

Total General Fund Equipment Expenditures -

Certain Local Revenue Sources

Note. Algiers Charter Schools Association, Inc. receives local revenues from the Orleans Parish School Board. ACSA does not receive a detailed schedule of the source of these revenues. This section is not applicable to charter schools.

ALGIERS CHARTER SCHOOLS ASSOCIATION
Education Levels of Public School Staff
As of October 1, 2008
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	-	0%	-	0%	-	0%	N/A	N/A
Bachelor's Degree	62	70%	1	100%	-	0%	N/A	N/A
Master's Degree	23	26%	-	0%	3	75%	N/A	N/A
Master's Degree + 30	3	3%	-	0%	1	25%	N/A	N/A
Specialist in Education	-	0%	-	0%	-	0%	N/A	N/A
Ph. D. or Ed. D.	-	0%	-	0%	-	0%	N/A	N/A
Total	88	100%	1	100%	4	100%		

ALGIERS CHARTER SCHOOLS ASSOCIATION
Number and Type of Public Schools
For the Year Ended June 30, 2009
Schedule 3

Type	Number
Elementary	1
Middle/Jr. High	N/A
Secondary	1
Combination	N/A
Total	2

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

Disclosure: We only tested schools which offered a curriculum higher than Kindergarten and did not exceed the twelfth grade level.

ALGIERS CHARTER SCHOOLS ASSOCIATION
Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2008
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	-	-	1	-	1	-	-	2
Principals	-	-	-	1	-	-	1	2
Classroom Teachers	26	7	16	8	7	12	13	89
Total	26	7	17	9	8	12	14	93

ALGIERS CHARTER SCHOOLS ASSOCIATION
Public School Staff Data
For the Year Ended June 30, 2009
Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	56,790	56,177
Average Classroom Teachers' Salary Excluding Extra Compensation	44,729	44,708
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	91.0	85.0

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (ex. extended medical leave), and ROTC teachers receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

Disclosure: Information was obtained from the Data Verification Report for the 2008-2009 school year.

ALGIERS CHARTER SCHOOLS ASSOCIATION
Class Size Characteristics
As of October 1, 2008
Schedule 6

School Type	Class Size Range											
	1 - 20		21 - 26		27 - 33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	45%	46	51%	53	4%	4	0%	-	-	-	-	-
Elementary Activity Classes	23%	3	77%	10	0%	-	0%	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-	-	-	-	-
High	31%	68	46%	100	23%	51	-	-	-	-	-	-
High Activity Classes	78%	53	12%	8	9%	6	1%	1	-	-	-	-
Combination	-	-	-	-	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-	-	-	-	-

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.

ALGERS CHARTER SCHOOLS ASSOCIATION
Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2009
Schedule 7

District Achievement Level Results	English						Mathematics						Science						Social Studies					
	2009		2008		2009		2008		2009		2008		2009		2008		2009		2008		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4																								
Advanced	1	2%	2	3%	1	1%	1	2%	3	5%	3	1%	3	5%	-	0%	-	0%	-	0%	-	0%	-	0%
Mastery	15	23%	15	21%	6	10%	7	9%	8	13%	8	10%	2	3%	2	3%	4	6%	4	6%	7	10%	7	10%
Basic	36	56%	33	45%	42	66%	30	41%	38	60%	38	47%	34	43%	34	43%	40	51%	40	51%	41	53%	41	56%
Approaching Basic	7	11%	16	21%	10	16%	15	21%	10	16%	10	13%	28	38%	28	38%	14	19%	14	19%	14	19%	14	19%
Unsatisfactory	5	8%	7	10%	5	8%	20	27%	5	8%	5	7%	9	12%	9	12%	6	8%	6	8%	11	15%	11	15%
Total	64	100%	73	100%	64	100%	73	100%	64	100%	73	100%	73	100%	73	100%	64	100%	64	100%	73	100%	73	100%
Grade 8																								
Advanced	-	0%	-	0%	3	4%	-	4%	2	3%	2	3%	1	1%	1	1%	-	0%	-	0%	-	0%	-	0%
Mastery	11	15%	6	9%	4	6%	1	1%	15	21%	15	21%	3	4%	3	4%	6	8%	6	8%	3	4%	3	4%
Basic	43	60%	44	62%	49	69%	33	47%	21	30%	21	30%	28	40%	28	40%	39	55%	39	55%	39	55%	39	56%
Approaching Basic	17	24%	16	23%	13	18%	25	36%	27	38%	27	38%	25	36%	25	36%	16	23%	16	23%	21	30%	21	30%
Unsatisfactory	-	0%	4	6%	2	3%	11	16%	6	8%	6	8%	13	19%	13	19%	10	14%	10	14%	7	10%	7	10%
Total	71	100%	70	100%	71	100%	70	100%	71	100%	71	100%	70	100%	70	100%	71	100%	71	100%	70	100%	70	100%

ALGIERS CHARTER SCHOOLS ASSOCIATION
Integrated Louisiana Educational Assessment Program (iLEAP)
For the Year Ended June 30, 2009
Schedule 9

District Achievement Level Results	English						Mathematics						Science						Social Studies							
	2009		2008		2009		2008		2009		2008		2009		2008		2009		2008		2009		2008			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 3																										
Advanced	4	5%	-	0%	6	8%	3	4%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Mastery	22	29%	5	7%	14	19%	12	16%	10	13%	3	4%	10	13%	3	4%	10	13%	3	4%	10	13%	3	4%	10	13%
Basic	36	48%	41	56%	33	44%	30	41%	38	51%	31	42%	48	64%	42	58%	48	64%	42	58%	48	64%	42	58%	48	64%
Approaching Basic	12	16%	19	26%	20	27%	15	21%	23	31%	27	37%	14	19%	14	19%	14	19%	14	19%	14	19%	14	19%	14	19%
Unsatisfactory	1	1%	8	11%	2	3%	13	18%	4	5%	12	16%	3	4%	3	4%	3	4%	3	4%	3	4%	3	4%	3	4%
Total	75	100%	73	100%	75	100%	73	100%	75	100%	73	100%	75	100%	73	100%	75	100%	73	100%	75	100%	73	100%	75	100%

District Achievement Level Results	English						Mathematics						Science						Social Studies							
	2009		2008		2009		2008		2009		2008		2009		2008		2009		2008		2009		2008			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 5																										
Advanced	3	5%	-	0%	3	5%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Mastery	8	12%	3	5%	1	2%	3	5%	7	11%	-	0%	11	17%	-	0%	11	17%	-	0%	11	17%	1	2%	2%	
Basic	42	64%	35	53%	34	52%	24	36%	30	45%	23	35%	38	58%	28	42%	38	58%	28	42%	38	58%	28	42%	35%	
Approaching Basic	12	18%	17	26%	15	23%	19	29%	25	38%	31	47%	11	17%	23	35%	11	17%	23	35%	11	17%	23	35%		
Unsatisfactory	1	1%	11	17%	13	20%	20	30%	4	6%	12	18%	6	9%	14	21%	6	9%	14	21%	6	9%	14	21%		
Total	66	100%	66	100%	66	100%	66	100%	66	100%	66	100%	66	100%	66	100%	66	100%	66	100%	66	100%	66	100%		

District Achievement Level Results	English						Mathematics						Science						Social Studies							
	2009		2008		2009		2008		2009		2008		2009		2008		2009		2008		2009		2008			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 6																										
Advanced	-	0%	-	0%	-	0%	1	1%	-	0%	-	0%	-	0%	-	0%	1	1%	-	0%	1	1%	-	0%	-	0%
Mastery	4	5%	3	4%	2	3%	2	3%	4	5%	2	3%	0	0%	4	5%	4	5%	2	3%	4	5%	2	3%	0%	
Basic	46	58%	26	38%	55	69%	24	35%	35	44%	20	29%	46	58%	20	29%	46	58%	20	29%	46	58%	15	22%		
Approaching Basic	21	28%	22	32%	12	15%	16	23%	35	44%	32	46%	25	32%	32	46%	25	32%	32	46%	25	32%	24	35%		
Unsatisfactory	9	11%	18	26%	11	14%	26	38%	6	8%	17	25%	8	10%	17	25%	8	10%	17	25%	8	10%	30	43%		
Total	80	100%	69	100%	80	100%	69	100%	80	100%	69	100%	80	100%	69	100%	80	100%	69	100%	80	100%	69	100%		

(Continued)

ALGERS CHARTER SCHOOLS ASSOCIATION
Integrated Louisiana Educational Assessment Program (ILEAP)
For the Year Ended June 30, 2009
Schedule 9

District Achievement Level Results	English			Mathematics			Science			Social Studies						
	2009		2008		2009		2008		2009		2008		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent								
Grade 7																
Advanced	2	3%	2	3%	2	3%	2	2%	1	3%	2	3%	1	2%	1	1%
Mastery	2	3%	11	15%	3	5%	5	7%	6	10%	6	8%	4	7%	11	15%
Basic	25	42%	40	55%	22	37%	41	56%	17	29%	39	53%	25	43%	46	63%
Approaching Basic	19	32%	10	13%	13	22%	19	26%	23	39%	22	30%	19	32%	11	15%
Unsatisfactory	11	19%	10	14%	19	32%	6	8%	12	20%	4	5%	10	17%	4	5%
Total	59	100%	73	100%	59	100%	73	100%	59	100%	73	100%	59	100%	73	100%

District Achievement Level Results	English			Mathematics			Science			Social Studies						
	2009		2008		2009		2008		2009		2008		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9																
Advanced	-	0%	-	0%	2	1%	-	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	4	2%	11	5%	11	5%	12	6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	134	66%	118	59%	95	47%	92	46%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	61	30%	58	29%	64	32%	45	22%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	3	1%	14	7%	30	15%	52	26%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	202	100%	201	100%	202	100%	201	100%								

(Continued)

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors of
Algiers Charter Schools Association
New Orleans, Louisiana

We have performed the procedures described below, which were agreed to by the management of Algiers Charter Schools Association ("ACSA"), the Orleans Parish School Board ("OPSB") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the use of Dedicated Millages and to determine whether the specified data is free of obvious errors and omissions as provided by ACSA. The School System is responsible for documenting the use of Dedicated Millages. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this 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 are as follows:

1. We obtained a schedule from ACSA of its expenditures for each purpose for the fiscal year.

Dedicated Millage:

Purpose A - School Books, Materials, and Supplies.

Purpose B - Early Childhood, Discipline, and Dropout Programs.

Purpose C - Employee Salary, Benefits, and Incentives.

Purpose D - Air Conditioning, Asbestos Removal, and Facilities.

2. We traced the expenditures to the General Ledger.

No exceptions were found as a result of applying the above procedures.

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 information and use of management of ACSA, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be 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.

Rebowe & Company

December 31, 2009

ALGIERS CHARTER SCHOOLS ASSOCIATION

FINANCIAL STATEMENTS

For the Year Ended June 30, 2009

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AUDITING STANDARDS REPORTS**

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FINANCIAL SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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Phone (504) 837-9116 • Fax (504) 837-0123 • www.rebowe.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Algiers Charter Schools Association
New Orleans, Louisiana

We have audited the accompanying Statements of Financial Position of Algiers Charter Schools Association ("ACSA") (a nonprofit organization), and the related Statements of Activities, Cash Flows, and Functional Expenses for the years ended June 30, 2009 and 2008. These financial statements are the responsibility of the ACSA's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards 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 audits provide 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 ACSA as of June 30, 2009 and 2008, and the changes in net assets and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2009 on our consideration of ACSA'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 read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of ACSA taken as a whole. The accompanying combining and individual school financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of ACSA. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rebowe & Company

December 31, 2009

BASIC FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2009 and 2008

	2009	2008
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 5,899,881	\$ 4,539,592
Manual checks receivable	-	9,649
Intergovernmental receivables	11,411,716	11,645,123
Other receivables	(3,898)	2,067,903
Prepaid expenses	129,152	275,988
Due from pooled cash, net	159,270	-
	<u>17,596,121</u>	<u>18,538,255</u>
Total Current Assets		
Other Assets:		
Deposits	6,700	6,700
	<u>6,700</u>	<u>6,700</u>
Total Other Assets		
	<u>6,700</u>	<u>6,700</u>
Non-Current Assets:		
Property and equipment (net of accumulated depreciation)	3,398,640	3,958,285
	<u>3,398,640</u>	<u>3,958,285</u>
Total Assets	<u>\$ 21,001,461</u>	<u>\$ 22,503,240</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 4,702,020	\$ 3,477,677
Due to other governments	155,539	130,026
Deferred revenue	-	22,446
Due to pooled cash, net	-	1,437,755
	<u>4,857,559</u>	<u>5,067,904</u>
Total Current Liabilities		
	<u>4,857,559</u>	<u>5,067,904</u>
Net Assets:		
Reserved for capital assets	3,398,640	3,958,285
Unrestricted, as restated	12,745,262	13,477,051
	<u>16,143,902</u>	<u>17,435,336</u>
Total Net Assets		
	<u>16,143,902</u>	<u>17,435,336</u>
Total Liabilities and Net Assets	<u>\$ 21,001,461</u>	<u>\$ 22,503,240</u>

The notes to the financial statements are an integral part of this statement.

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2009 and 2008

	2009	2008
UNRESTRICTED NET ASSETS		
Public Support and Other Revenues		
Unrestricted grants in aid - State	\$ 1,598,644	\$ 2,178,035
Restricted grants in aid - Federal and State	14,335,283	15,142,569
Donations - unrestricted	2,439	241,179
Minimum Foundation Program	26,899,394	28,211,480
Miscellaneous revenue	815,609	224,321
Total Public Support and Other Revenues	43,651,369	45,997,584
Expenses		
Program services:		
Instructional	22,654,786	18,121,131
Supporting services:		
Management and general	22,288,017	18,292,367
Total Expenses	44,942,803	36,413,498
Decrease in Unrestricted Net Assets	(1,291,434)	9,584,086
Net assets at beginning of fiscal year, as restated	17,435,336	7,851,250
Net assets at end of fiscal year	\$ 16,143,902	\$ 17,435,336

The notes to the financial statements are an integral part of this statement.

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Increase/(decrease) in net assets	\$ (1,291,434)	\$ 9,584,086
Adjustments to reconcile decrease in net assets to net		
Cash provided by operating activities		
Depreciation	1,114,111	1,003,292
(Increase)/decrease in assets:		
Accounts receivable	2,314,857	(9,306,802)
Prepaid insurance	146,836	(146,837)
Deposits	-	-
Increase/(decrease) in liabilities:		
Accounts payable and other accrued expenses	1,249,856	960,266
Deferred revenues	(22,446)	(202,061)
Due to other fund	(1,597,025)	660,597
	<u>1,914,755</u>	<u>2,552,541</u>
Net cash provided by operating activities		
Cash Flows from Investing Activities		
Purchase of property and equipment	(554,466)	(4,388,355)
	<u>(554,466)</u>	<u>(4,388,355)</u>
Net cash used in investing activities		
	1,360,289	(1,835,814)
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents, Beginning of Year	4,539,592	6,375,406
Cash and cash equivalents, End of Year	<u>\$ 5,899,881</u>	<u>\$ 4,539,592</u>

The notes to the financial statements are an integral part of this statement.

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2009 and 2008 (Totals Only)

	<u>PROGRAM</u>	<u>SUPPORT</u>	<u>Total</u>	<u>2008</u>
	<u>SERVICES</u>	<u>SERVICES</u>		
	<u>Instructional</u>	<u>Management and General</u>		
Expenses:				
Salaries and benefits	\$ 19,041,970	\$ 10,431,516	\$ 29,473,486	\$ 24,766,703
Professional services	315,233	1,143,457	1,458,690	1,323,699
Travel	507,488	342,060	849,548	882,156
Supplies	2,016,695	723,383	2,740,078	1,885,166
Utilities	-	1,016,898	1,016,898	530,921
Rent	-	151,749	151,749	185,417
Insurance	185,515	291,127	476,642	189,556
Repairs and maintenance	4,537	499,976	504,513	537,217
Transportation	-	2,330,646	2,330,646	2,086,436
Food service management	-	1,473,852	1,473,852	1,265,145
Other	583,348	3,883,353	4,466,701	2,761,082
	<u>\$ 22,654,786</u>	<u>\$ 22,288,017</u>	<u>\$ 44,942,803</u>	<u>\$ 36,413,498</u>

The notes to the financial statements are an integral part of this statement.

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ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2009 and 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Algiers Charter Schools Association ("ACSA") was incorporated in October 2005 for the purpose of operating charter schools in New Orleans. The State Board of Elementary and Secondary Education ("BESE") has granted ACSA seven (7) Type 5 charters to operate Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, Harriet R. Tubman Elementary, and O. Perry Walker Senior high. The charters are valid until June 30, 2010. All ACSA schools are governed by the ACSA Board of Directors.

In addition to the seven (7) schools operated under the charter agreement with BESE, ACSA operates two (2) schools under a charter agreement with Orleans Parish School Board. These two (2) schools, Alice M. Harte Elementary and Edna Karr Senior High, are reported separately. Because the Central Office provides services to all nine (9) charter schools, these funds are allocated between the two entities based on the attendance of the various schools.

Basis of Accounting

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

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management.

Income Tax Status

ACSA is a tax-exempt organization under Internal Revenue Code Section 501 (c)(3) and, as such, is not subject to income tax.

Public Support and Revenue

ACSA receives its support primarily from the Louisiana State Department of Education and the United States Department of Education.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2009 and 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ACSA uses the direct write-off method of writing off uncollectible receivables.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills 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.

Deferred Revenue

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

Estimates

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

Cash and Cash Equivalents

Cash includes the amounts in demand deposits and interest – bearing deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less.

Compensated Absences

ACSA compensates employees entitled to paid leave using their base hourly rate, excluding shift premiums and overtime compensation, if any.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2009 and 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Paid time off – All employees will earn two days of paid time off per month, up to ten (10) paid days off accrued in the year for 11-month, 10-month, 9.75-month and 9.5-month employees and up to 24 days off accrued in the year for 12-month employees. ACSA employees have the right to carry over no more than fifteen (15) paid days off into the succeeding school year.

Basis of Presentation

ACSA follows the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 117, *Financial Statements of Not-for-Profit Organizations*, which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and the classification of resources into three separate classes of net assets, as follows:

- Unrestricted - Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted - Net assets whose use by ACSA is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of ACSA pursuant to such stipulations.
- Permanently Restricted - Net assets whose use by ACSA is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of ACSA.

Property and Equipment

Property and equipment are capitalized at cost. It is ACSA’s policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed as incurred. Property and equipment are being depreciated over their estimated useful lives using the straight-line method using the following lives:

Office Equipment	4 – 10 years
Buildings and Improvements	20 – 50 years

Subsequent Events

Subsequent events have been evaluated through December 31, 2009, the date the financial statements were available to be issued.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2009 and 2008**

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS

ACSA had the following cash as of June 30, 2009 and 2008

	2009	2008
Demand Deposits	\$ 2,456,027	\$ 71,330
Time Deposits	3,443,854	4,468,262
	\$ 5,899,881	\$ 4,539,592

Custodial credit risk is the risk that, in the event of a bank failure, ACSA's deposits might not be recovered. At June 30, 2009 and 2008, ACSA's demand deposit bank balances of \$2,707,374 and \$1,210,649, respectively, were entirely secured by federal deposit insurance and pledged securities held by ACSA's agent in ACSA's name.

NOTE C - INTERFUND RECEIVABLES AND PAYABLES

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2009 are as follows:

Due To Pooled Cash	Amount	Due From Pooled Cash	Amount
Central Office	\$ 9,867,987	Behrman	\$ 3,735,357
ATA	224,926	Eisenhower	4,834,469
Central Office SR	171,359	Fischer	2,271,422
ATA SR	905,920	McDonogh	794,494
Behrman SR	2,151,484	Tubman	1,763,873
Eisenhower SR	1,711,013	Walker	7,945,078
Fischer SR	1,296,751		
McDonogh SR	1,441,917		
Tubman SR	1,472,927		
Walker SR	1,941,139		
Total	\$ 21,185,423	Total	\$ 21,344,693

The above due to/from other funds were short-term receivables or payables resulting from the normal course of ASCA's operations.

The total due to and due from pooled cash do not reconcile because of the general fund allocation described in Note A. The elimination of the due to/due from pooled cash results in a "Due from Pooled Cash" balance of \$159,270. This amount is offset by an equal "Due to Pooled Cash" on the governmental financial statements which includes Harte and Karr schools.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2009 and 2008**

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2009 and 2008 consists of the following:

	<u>2009</u>	<u>2008</u>
Furniture, fixtures, and equipment	\$ 5,558,211	\$ 5,003,745
Buildings & building improvements	33,507	33,507
Less: accumulated depreciation	<u>(2,193,078)</u>	<u>(1,078,967)</u>
Property and equipment, net	<u>\$ 3,398,640</u>	<u>\$ 3,958,285</u>

Depreciation expense for ACSA for the years ended June 30, 2009 and 2008 was \$1,114,111 and \$1,003,292, respectively.

During the years ended June 30, 2009 and 2008, ACSA acquired \$554,466 and \$4,388,355 in property and equipment, respectively.

NOTE E - RETIREMENT PLANS

ACSA offers eligible employees the opportunity to participate in the Teachers' Retirement System (TRS), a state retirement plan, for those employees who are eligible to participate. TRS issues a separate financial report that includes financial statements and required supplementary information. This report may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, LA 70804-9123
(225) 925-6446

1. *Plan Description*—All teachers and administrative employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State statute.

TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their last three years of compensation and the number of years that the employee was contributing to TRS.

ALGIERS CHARTER SCHOOLS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2009 and 2008

NOTE E - RETIREMENT PLANS (CONTINUED)

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

2. *Contributions Required and Made*—Covered employees and ACSA are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plans are as follows:

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	16.6%

ACSA's contributions for the years ended June 30, 2009 and 2008 were \$3,405,226 and \$3,017,531, respectively.

NOTE F - CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

NOTE G - RISK MANAGEMENT

ACSA is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

NOTE H - CORRECTION OF AN ERROR

ACSA financial statements as of June 30, 2008, contained the following error: understatement of revenues by \$622,152. Net assets as of July 1, 2008, have been increased by that amount to correct the error.

SUPPLEMENTAL INFORMATION

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINANCIAL POSITION BY SCHOOL
June 30, 2009 and 2008 (Totals Only)

2009

ASSETS	School Funds							
	Central Office	ATA	Belman	Eisenhower	Fischer	McDonogh	Tubman	Walker
Current Assets:								
Cash and cash equivalents	\$ 5,899,724	\$ -	\$ -	\$ 21,296	\$ 157	\$ -	\$ -	\$ 35,692
Prepaid expenses	-	-	24,057	-	20,287	9,521	18,299	-
Accounts receivable	-	699	1,474	(117,771)	1,357	102	369	37,011
Intergovernmental receivables	2,500	(4,197)	(1,866)	(3,940)	909	2,119	216	351
Other receivables	-	-	3,733,357	4,834,469	2,271,422	794,494	1,763,873	7,945,078
Due from pooled cash	-	-	-	-	-	-	-	-
Total Current Assets	5,902,224	(3,498)	3,759,032	4,734,054	2,294,132	806,236	1,782,757	8,018,132
Other Assets:								
Deposits	-	-	1,050	1,050	1,050	750	1,750	1,050
Total Other Assets	-	-	1,050	1,050	1,050	750	1,750	1,050
Non-Current Assets:								
Property and equipment (net of accumulated depreciation)	90,317	21,912	41,866	63,903	29,869	8,294	64,088	28,152
Total Assets	\$ 5,992,541	\$ 18,414	\$ 3,801,948	\$ 4,799,007	\$ 2,325,051	\$ 815,280	\$ 1,848,595	\$ 8,047,334
LIABILITIES AND NET ASSETS								
Current Liabilities:								
Accounts payable and accrued expenses	3,407,233	50,242	185,737	139,146	83,949	106,338	81,536	238,770
Due to other governments	-	-	24,513	25,513	79,080	-	-	25,513
Deferred revenues	-	-	-	-	-	-	-	-
Due to pooled cash	9,857,987	224,926	-	-	-	-	-	-
Total Current Liabilities	13,275,220	275,168	211,250	164,659	162,949	106,338	81,536	264,283
Net Assets:								
Reserved for capital assets	90,317	21,912	41,866	63,903	29,869	8,294	64,088	28,152
Unrestricted, as reported	(2,372,996)	(278,666)	3,548,932	4,370,445	2,132,233	706,648	1,702,971	7,754,899
Total Net Assets	(7,282,679)	(256,754)	3,590,698	4,634,348	2,162,102	708,942	1,767,039	7,783,051
Total Liabilities and Net Assets	\$ 5,992,541	\$ 18,414	\$ 3,801,948	\$ 4,799,007	\$ 2,325,051	\$ 815,280	\$ 1,848,595	\$ 8,047,334

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENT OF FINANCIAL POSITION BY SCHOOL (CONTINUED)
June 30, 2009 and 2008 (Totals Only)

ASSETS	Special Revenue Funds							Interfund Eliminations	Total
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonough	Tubman		
Current Assets:									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,899,881
Prepaid expenses	-	-	-	-	-	-	-	-	129,152
Accounts receivable	138,635	964,493	2,212,829	1,704,735	1,302,617	1,474,020	1,611,183	2,079,963	11,411,716
Intergovernmental receivables	-	-	-	-	-	-	-	-	(3,898)
Other receivables	-	-	-	-	-	-	-	-	159,270
Due from pooled cash	-	-	-	-	-	-	-	-	(21,185,423)
Total Current Assets	138,635	964,493	2,212,829	1,704,735	1,302,617	1,474,020	1,611,183	2,079,963	17,596,121
Other Assets:									
Deposits	-	-	-	-	-	-	-	-	6,700
Total Other Assets	-	-	-	-	-	-	-	-	6,700
Non-Current Assets:									
Property and equipment (net of accumulated depreciation)	1,892	139,689	549,430	488,155	434,836	155,534	286,216	994,487	3,298,640
Total Assets	\$ 140,527	\$ 1,104,182	\$ 2,762,259	\$ 2,192,890	\$ 1,737,453	\$ 1,629,554	\$ 1,897,399	\$ 3,074,450	\$ 21,001,461
LIABILITIES AND NET ASSETS									
Current Liabilities:									
Accounts payable and accrued expenses	\$ 46,578	\$ 71,201	\$ 58,760	\$ 73,560	\$ 41,073	\$ 35,779	\$ 39,616	\$ 42,502	\$ 4,702,020
Due to other governments	-	-	-	-	-	-	-	-	153,539
Deferred revenues	-	-	-	-	-	-	-	-	-
Due to pooled cash	171,359	905,920	2,151,484	1,711,013	1,296,751	1,441,917	1,472,927	1,941,139	(21,185,423)
Total Current Liabilities	217,937	977,121	2,210,244	1,784,573	1,337,824	1,477,696	1,512,543	1,983,641	4,857,559
Net Assets:									
Reserved for capital assets	1,892	139,689	549,430	488,155	434,836	155,534	286,216	994,487	3,398,640
Unrestricted, as restated	(79,302)	(12,628)	2,585	(79,838)	(35,207)	(3,676)	98,640	96,322	12,745,262
Total Net Assets	(77,410)	127,061	552,015	408,317	399,629	151,858	384,856	1,090,809	16,143,902
Total Liabilities and Net Assets	\$ 140,527	\$ 1,104,182	\$ 2,762,259	\$ 2,192,890	\$ 1,737,453	\$ 1,629,554	\$ 1,897,399	\$ 3,074,450	\$ 21,001,461

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF ACTIVITIES BY SCHOOL
For the Years Ended June 30, 2009 and 2008 (Totals Only)

2009

	School Funds									
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	Walker		
UNRESTRICTED NET ASSETS										
Public Support and Other Revenues										
Unrestricted grants in aid - State	\$ 55	\$ 11,102	\$ 23,834	\$ 18,195	\$ 22,662	\$ 60,407	\$ 29,319	\$ 47,556		
Restricted grants in aid - Federal and State	-	18,428	81,682	66,542	54,529	46,729	52,777	234,689		
Donations	2,054	-	77	77	77	77	77	-		
Minimum Foundation Program	-	2,048,342	4,449,540	4,140,480	2,880,257	3,852,628	3,174,975	6,353,172		
Miscellaneous revenue	108,404	47,020	1,728	1,757	1,585	1,676	1,632	947		
Total Public Support and Other Revenues	110,513	2,124,892	4,556,861	4,227,051	2,959,110	3,961,517	3,258,780	6,636,364		
Expenses										
Program services										
Instructional	24,288	904,609	2,211,996	2,283,670	1,473,966	1,998,015	1,617,324	3,190,791		
Supporting services										
Management and general	2,627,073	1,233,954	1,738,062	1,762,570	1,423,565	1,594,142	1,378,281	3,203,429		
Total Expenses	2,651,361	2,138,563	3,950,058	4,046,240	2,897,531	3,592,157	2,995,605	6,394,220		
Increase/(Decrease) in unrestricted net assets	(2,540,848)	(13,671)	606,803	180,811	61,579	369,360	263,175	242,144		
Net assets at beginning of fiscal year, as restated	(4,741,831)	(243,083)	2,983,895	4,453,537	2,100,523	339,582	1,503,884	7,540,907		
Net assets at end of fiscal year	\$ (7,282,679)	\$ (256,754)	\$ 3,590,698	\$ 4,634,348	\$ 2,162,102	\$ 708,942	\$ 1,767,059	\$ 7,783,051		

ALGIERS CHARTER SCHOOLS ASSOCIATION
STATEMENT OF ACTIVITIES BY SCHOOL (CONTINUED)
For the Years Ended June 30, 2009 and 2008 (Totals Only)

2009

2008

	Special Revenue Funds							Total	
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman		Walker
UNRESTRICTED NET ASSETS									
Public Support and Other Revenues									
Unrestricted grants in aid - State	\$ -	\$ 67,545	\$ 272,041	\$ 161,797	\$ 253,461	\$ 244,723	\$ 319,912	\$ 66,035	\$ 2,178,035
Restricted grants in aid - Federal and State	185,327	1,329,759	2,381,333	2,082,933	1,812,490	1,761,439	1,822,800	2,403,826	14,335,283
Donations	-	-	-	-	-	-	-	-	2,439
Minimum Foundation Program	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	27,600	54,810	98,443	114,454	72,057	72,178	65,133	146,185	26,899,394
									815,609
Total Public Support and Other Revenues	212,927	1,452,114	2,751,817	2,359,184	2,138,008	2,078,340	2,207,845	2,616,046	43,651,369
Expenses									
Program services:									
Instructional	16,684	835,232	1,510,545	1,421,915	1,414,896	1,018,993	1,169,878	1,561,984	22,654,786
Supporting services:									
Management and general	219,795	619,511	1,326,013	1,103,414	855,351	1,056,538	974,642	1,171,677	22,288,017
Total Expenses	236,479	1,454,743	2,836,558	2,525,329	2,270,247	2,075,531	2,144,520	2,733,661	44,942,803
Increase/(Decrease) in unrestricted net assets	(23,552)	(2,629)	(84,741)	(166,145)	(132,239)	2,809	63,325	(117,615)	(1,291,434)
Net assets at beginning of fiscal year, as restated	(53,858)	129,690	636,756	574,462	531,868	149,049	321,531	1,208,424	17,435,336
Net assets at end of fiscal year	\$ (77,410)	\$ 127,061	\$ 552,015	\$ 408,317	\$ 399,629	\$ 151,858	\$ 384,856	\$ 1,090,809	\$ 16,143,902
									\$ 17,435,336

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FUNCTIONAL EXPENSES BY SCHOOL
For the Years Ended June 30, 2009 and 2008 (Totals Only)

Expenses	2009							Walker
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman	
Salaries and benefits	\$ 1,905,549	\$ 1,463,873	\$ 2,871,554	\$ 3,024,176	\$ 2,047,766	\$ 2,772,257	\$ 2,201,655	\$ 4,638,887
Professional services	339,698	67,269	59,966	49,719	53,411	10,997	11,438	153,662
Travel	58,689	2,468	6,985	1,887	5,790	2,768	7,742	33,079
Supplies	124,206	23,411	63,786	26,885	114,607	10,727	5,115	26,532
Utilities	63,517	109,966	141,806	100,966	84,754	116,598	76,182	254,074
Rent	81,927	7,677	12,508	10,755	7,333	11,329	7,304	7,788
Insurance	28,695	31,653	69,538	66,862	61,251	56,988	52,747	102,094
Repairs and maintenance	14,539	48,791	59,333	68,524	46,469	84,805	64,086	115,783
Food service management	-	251,779	292,823	321,935	214,406	276,692	247,741	469,668
Transportation	-	-	-	-	-	-	-	-
Other	34,541	131,676	371,759	374,531	261,744	248,996	321,595	592,653
Total Expenses	\$ 2,651,361	\$ 2,138,563	\$ 3,950,058	\$ 4,046,240	\$ 2,897,531	\$ 3,592,157	\$ 2,995,605	\$ 6,394,220

Expenses	2009							Walker	Total
	Central Office	ATA	Behrman	Eisenhower	Fischer	McDonogh	Tubman		
Salaries and benefits	\$ 90,031	\$ 697,553	\$ 1,480,415	\$ 1,162,561	\$ 1,131,665	\$ 1,228,872	\$ 1,301,026	\$ 1,455,845	\$ 29,473,485
Professional services	105,410	38,828	96,810	125,591	42,435	101,414	64,631	137,411	1,458,690
Travel	14,273	55,078	146,174	93,655	143,000	112,441	100,987	64,533	849,549
Supplies	25,485	446,876	339,623	357,498	262,461	265,545	295,997	351,324	2,740,078
Utilities	-	9,963	9,583	9,185	9,593	10,450	9,488	10,773	1,016,898
Rent	-	694	964	694	694	694	694	694	151,749
Insurance	-	-	1,429	909	1,128	1,189	2,159	-	476,642
Repairs and maintenance	-	1,574	-	-	-	-	-	609	504,513
Food service management	221	26,813	33,828	50,633	21,061	24,656	24,071	74,319	2,330,646
Transportation	-	85,423	300,306	249,307	220,777	229,332	197,550	191,157	1,473,852
Other	1,059	91,941	427,426	475,496	437,433	100,938	147,917	446,996	4,466,701
Total Expenses	\$ 236,479	\$ 1,454,743	\$ 2,836,558	\$ 2,525,329	\$ 2,270,247	\$ 2,075,531	\$ 2,144,520	\$ 2,733,661	\$ 44,942,803

2008

PERFORMANCE STATISTICAL DATA

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors of
Algiers Charter Schools Association
New Orleans, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Algiers Charter Schools Association ("ACSA") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of ACSA 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. ACSA is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this 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 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, and
 - Nonpublic Transportation Revenue.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2008.
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 1, 2008 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule 3)

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

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 1, 2008 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined that 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 in the schedule.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2008 roll books for those classes and determined that the class was properly classified on the schedule.

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

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

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

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

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

No exceptions were found as a result of applying the above procedures.

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 information and use of management of Algiers Charter Schools Association, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be 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.

Rebowe & Company

December 31, 2009

ALGIERS CHARTER SCHOOLS ASSOCIATION
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2009
Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 9,225,145	
Other Instructional Staff Activities	1,374,985	
Employee Benefits	2,602,304	
Purchased Professional and Technical Services	45,442	
Instructional Materials and Supplies	179,117	
Less: Instructional Equipment	(368)	
Total Teacher and Student Interaction Activities		\$ 13,426,625

Other Instructional Activities 51,230

Pupil Support Activities	1,431,771	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		1,431,771

Instructional Staff Services	1,209,699	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,209,699

School Administration	2,797,211	
Less: Equipment for School Administration	-	
Net School Administration		2,797,211

Total General Fund Instructional Expenditures \$ 18,916,536

Total General Fund Equipment Expenditures \$ 368

Certain Local Revenue Sources

Note: Algiers Charter Schools Association, Inc. receives local revenues from the Orleans Parish School Board passed through the Recovery School District. ACSA does not receive a detailed schedule of the source of these revenues. This section is not applicable to charter schools.

ALGIERS CHARTER SCHOOLS ASSOCIATION
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	1	1%	-	0%	-	0%	NA	NA
Bachelor's Degree	128	70%	4	100%	-	0%	NA	NA
Master's Degree	48	26%	-	0%	10	63%	NA	NA
Master's Degree + 30	5	3%	-	0%	5	31%	NA	NA
Specialist in Education	1	1%	-	0%	-	0%	NA	NA
Ph. D. or Ed. D	-	0%	-	0%	1	6%	NA	NA
Total	193	100%	4	100%	16	100%		

ALGIERS CHARTER SCHOOLS ASSOCIATION
Number and Type of Public Schools
For the Year Ended June 30, 2009
Schedule 3

Type	Number
Elementary	5
Middle/Jr. High	N/A
Secondary	2
Combination	N/A
Total	7

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

Disclosure: We only tested schools which offered a curriculum higher than Kindergarten and did not exceed the twelfth grade level.

ALGIERS CHARTER SCHOOLS ASSOCIATION
Experience of Public 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	-	-	5	2	2	-	-	9
Principals	-	-	-	3	2	2	-	7
Classroom Teachers	36	20	68	11	14	10	28	187
Total	36	20	73	16	18	12	28	203

ALGIERS CHARTER SCHOOLS ASSOCIATION

Public School Staff Data

For the Year Ended June 30, 2009

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Retired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	52,672	55,945
Average Classroom Teachers' Salary Excluding Extra Compensation	45,100	48,137
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	199	182

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (ex. extended medical leave); and ROTC teachers receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

Disclosure: Information was obtained from the Data Verification Report for the 2008-2009 school year.

ALGIERS CHARTER SCHOOLS ASSOCIATION
Class Size Characteristics
As of October 1, 2008
Schedule 6

School Type	Class Size Range											
	1 - 20		21 - 25		27 - 33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	53%	286	44%	241	3%	15	0%	-	-	-	-	-
Elementary Activity Classes	49%	55	42%	47	1%	1	8%	9	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-	-	-	-	-
Middle/Jr High Activity Classes	-	-	-	-	-	-	-	-	-	-	-	-
High	32%	112	45%	161	23%	82	0%	-	-	-	-	-
High Activity Classes	67%	74	22%	24	7%	8	4%	4	-	-	-	-
Combination	-	-	-	-	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-	-	-	-	-

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.

ALGIERS CHARTER SCHOOLS ASSOCIATION
Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2009
Schedule 7

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies				
	2009		2008		2009		2008		2009		2008		2009		2008		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 4																	
Advanced	3	1%	7	3%	2	1%	1	0%	5	2%	-	0%	1	0%	-	0%	0%
Mastery	34	11%	33	13%	16	5%	24	9%	18	6%	8	3%	23	7%	16	6%	6%
Basic	144	46%	99	38%	126	40%	92	36%	105	33%	76	30%	110	35%	86	33%	33%
Approaching Basic	83	26%	67	26%	86	27%	60	23%	115	37%	96	38%	90	29%	67	26%	26%
Unsatisfactory	51	16%	52	20%	85	27%	81	32%	71	23%	75	29%	91	29%	89	35%	35%
Total	315	100%	258	100%	315	100%	258	100%	314	100%	255	100%	315	100%	258	100%	100%

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies				
	2009		2008		2009		2008		2009		2008		2009		2008		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 3																	
Advanced	-	0%	-	0%	3	1%	-	0%	1	0%	-	0%	-	0%	-	0%	0%
Mastery	9	4%	11	5%	6	3%	2	1%	11	5%	6	3%	3	1%	2	1%	1%
Basic	114	50%	90	42%	109	48%	75	35%	70	31%	51	24%	72	32%	74	35%	35%
Approaching Basic	84	37%	84	39%	61	27%	78	36%	82	36%	78	36%	79	34%	81	37%	37%
Unsatisfactory	20	9%	29	14%	48	21%	60	28%	63	28%	79	37%	73	32%	57	27%	27%
Total	227	100%	214	100%	227	100%	215	100%	227	100%	214	100%	227	100%	214	100%	100%

ALGIERS CHARTER SCHOOLS ASSOCIATION
The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2009
Schedule 8

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies					
	2009		2008		2009		2008		2009		2008		2009		2008			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 10 & 11																		
Advanced	-	0%	1	0%	9	4%	5	2%	3	1%	-	0%	-	0%	-	0%	-	0%
Mastery	4	2%	7	3%	27	12%	23	8%	12	5%	4	2%	12	5%	-	0%	-	0%
Basic	90	40%	58	21%	125	57%	76	28%	64	26%	53	24%	93	38%	65	30%	65	30%
Approaching Basic	89	39%	62	23%	39	18%	58	21%	75	31%	58	26%	71	29%	47	21%	47	21%
Unsatisfactory	43	19%	144	53%	20	9%	110	40%	91	37%	105	48%	69	28%	107	49%	107	49%
Total	226	100%	272	100%	220	100%	272	100%	245	100%	220	100%	245	100%	219	100%	219	100%

ALGIERS CHARTER SCHOOLS ASSOCIATION
Integrated Louisiana Educational Assessment Program (iLEAP)
For the Year Ended June 30, 2009
Schedule 9

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies				
	2009		2008		2009		2008		2009		2008		2009		2008		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 3																	
Advanced	8	3%	4	2%	5	2%	1	0%	6	2%	-	0%	3	1%	1	0%	
Mastery	42	16%	27	11%	24	9%	15	6%	23	9%	3	1%	24	9%	17	7%	
Basic	75	29%	76	32%	87	33%	69	29%	73	28%	63	26%	93	36%	86	36%	
Approaching Basic	69	26%	61	25%	67	26%	56	24%	96	37%	82	35%	72	28%	71	30%	
Unsatisfactory	67	26%	73	30%	78	30%	95	41%	62	24%	90	38%	69	26%	62	27%	
Total	261	100%	241	100%	261	100%	236	100%	260	100%	238	100%	261	100%	237	100%	

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies				
	2009		2008		2009		2008		2009		2008		2009		2008		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 5																	
Advanced	2	1%	7	4%	3	1%	10	5%	1	0%	-	0%	-	0%	-	0%	
Mastery	19	9%	18	10%	8	4%	7	4%	11	5%	6	3%	15	7%	13	7%	
Basic	98	47%	67	36%	96	46%	63	34%	65	31%	51	27%	96	46%	76	40%	
Approaching Basic	57	28%	42	22%	49	24%	32	17%	75	36%	77	42%	58	28%	47	25%	
Unsatisfactory	31	15%	54	29%	51	25%	76	40%	55	27%	53	28%	38	18%	52	28%	
Total	207	100%	188	100%	207	100%	188	100%	207	100%	187	100%	207	100%	188	100%	

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies				
	2009		2008		2009		2008		2009		2008		2009		2008		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 6																	
Advanced	-	0%	5	2%	1	0%	1	0%	-	0%	1	0%	-	0%	1	0%	
Mastery	22	10%	11	4%	11	5%	7	3%	4	2%	3	1%	1	0%	2	1%	
Basic	91	42%	70	28%	97	44%	71	29%	79	36%	73	30%	92	42%	70	29%	
Approaching Basic	65	29%	77	31%	50	23%	44	18%	85	39%	97	39%	74	34%	91	37%	
Unsatisfactory	43	19%	84	34%	63	28%	124	50%	49	23%	73	30%	51	23%	81	33%	
Total	221	100%	247	100%	222	100%	247	100%	217	100%	247	100%	218	100%	245	100%	

(Continued)

ALGIERS CHARTER SCHOOLS ASSOCIATION
Integrated Louisiana Educational Assessment Program (iLEAP)
For the Year Ended June 30, 2009
Schedule 9

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2009		2008		2009		2008		2009		2008		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7																
Advanced	2	1%	1	0%	2	1%	-	0%	1	0%	-	0%	1	0%	-	0%
Mastery	13	5%	26	11%	10	4%	1	0%	10	4%	6	3%	8	3%	5	2%
Basic	89	35%	77	32%	98	39%	81	34%	75	30%	78	33%	101	40%	102	43%
Approaching Basic	88	35%	78	33%	55	22%	64	27%	105	42%	86	36%	89	35%	71	30%
Unsatisfactory	60	24%	57	24%	87	35%	93	39%	60	24%	68	29%	53	21%	61	26%
Total	252	100%	239	100%	252	100%	239	100%	251	100%	238	100%	252	100%	239	100%

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2009		2008		2009		2008		2009		2008		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9																
Advanced	-	0%	-	0%	1	0%	1	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	3	1%	1	0%	20	8%	4	2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	119	47%	68	30%	141	56%	63	29%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	85	34%	94	43%	43	17%	62	28%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	46	18%	60	27%	47	19%	91	41%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	253	100%	223	100%	252	100%	221	100%								

(Concluded)

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors of
Algiers Charter Schools Association
New Orleans, Louisiana

We have performed the procedures described below, which were agreed to by the management of Algiers Charter Schools Association ("ACSA"), the Orleans Parish School Board ("OPSB") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the use of Dedicated Millages and to determine whether the specified data is free of obvious errors and omissions as provided by ACSA. The School System is responsible for documenting the use of Dedicated Millages. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this 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 are as follows:

1. We obtained a schedule from ACSA of its expenditures for each purpose for the fiscal year.

Dedicated Millage:

Purpose A - School Books, Materials, and Supplies.

Purpose B - Early Childhood, Discipline, and Dropout Programs.

Purpose C - Employee Salary, Benefits, and Incentives.

Purpose D - Air Conditioning, Asbestos Removal, and Facilities.

2. We traced the expenditures to the General Ledger.

No exceptions were found as a result of applying the above procedures.

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 information and use of management of ACSA, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be 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.

Rebowe & Company

December 31, 2009

**OMB CIRCULAR A-133 COMPLIANCE AND
GOVERNMENT AUDITING STANDARDS REPORTS**

REBOWE & COMPANY

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**INDEPENDENT AUDITOR'S 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
Algiers Charter Schools Association
New Orleans, Louisiana

We have audited the Statement of Financial Position and the related Statements of Activities, Statement of Cash Flows, and the Statement of Functional Expenses of Algiers Charter Schools Association ("ACSA"), as of and for the years ended June 30, 2009 and 2008, which collectively comprise ACSA's basic financial statements and have issued our report thereon dated December 31, 2009. We conducted our audits 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 ACSA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACSA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control over financial reporting.

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency, finding 09-1, to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACSA'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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of ACSA's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies, and pass-through entities 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.

Rebowe & Company

December 31, 2009

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AWARDS PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Algiers Charter Schools Association
New Orleans, Louisiana

Compliance

We have audited the compliance of Algiers Charter Schools Association (“ACSA”) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. ACSA’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 ACSA’s management. Our responsibility is to express an opinion on ACSA’s compliance based on our audit.

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

In our opinion, ACSA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

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

ACSA's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit ACSA's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of Algiers Charter Schools Association's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies and pass-through entities 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.

Rebowe & Company

December 31, 2009

**ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Education</u>		
Passed-Through State Department of Education:		
ESEA of 1965, Title I, Part A	84.010	\$ 4,580,681
IDEA, Part B	84.027	1,145,558
IDEA, Pre-K	84.173	77,049
Emergency Management System	84.184	108,648
ESEA, Title IV, Part A	84.186	3,137
Charter Schools	84.282	2,518,380
21st Century	84.287	227,915
ESEA of 1965, Title V, Part A	84.298	186,741
ESEA of 1965, Title II, Part A	84.367	484,362
Hurricane Katrina Foreign Contributions	84.940	23,448
Passed-Through Louisiana Endowment for the Humanities:		
Teaching American History	84.215	<u>125,282</u>
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>\$ 9,481,201</u>
<u>U.S. Department of Agriculture</u>		
Passed-Through State Department of Agriculture:		
National School Lunch Program		
Free and Reduced Price Meals	10.555	<u>\$ 1,492,026</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>\$ 1,492,026</u>
<u>U.S. Department of Health and Human Services</u>		
Passed-Through State Department of Health and Human Services:		
Temporary Assistance for Needy Families (TANF)	93.558	<u>\$ 224,213</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>\$ 224,213</u>

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2008

Other Programs

Passed-Through Alvin Callender Air Force Base:

Reserve Officer Training Corp. (ROTC)	99.999	\$ 144,220
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TOTAL OTHER PROGRAMS	\$ 144,220
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TOTAL FEDERAL ASSISTANCE	\$ 11,341,660
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The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
FOOTNOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
Year Ended June 30, 2009**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIC OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

2. ACCRUED AND DEFERRED REIMBURSEMENT

Various reimbursement procedures are used for federal awards received by ACSA. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year.

3. PAYMENTS TO SUBRECIPIANTS

There were no payments to subrecipients for the year ended June 30, 2009.

ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the financial statements of the Algiers Charter Schools Association.
2. One (1) control deficiency disclosed during the audit of the financial statements is reported in the *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*. The control deficiency identified is considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of Algiers Charter Schools Association are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditors' report on compliance with requirements applicable to major federal award programs for Algiers Charter Schools Association expresses an unqualified opinion.
6. The auditors' report disclosed no findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. A management letter was not issued for the year ended June 30, 2009.
8. The programs tested as major programs were:

	<u>CFDA No.</u>
ESEA of 1965, Title I, Part A	84.010
Charter Schools	84.282
9. The threshold for distinguishing between type A and type B programs was \$340,250.
10. Algiers Charter Schools Association was determined to be a high-risk auditee.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Finding 09-1

Observation:

Our review of the client prepared June 30, 2009 unadjusted trial balance revealed that total federal financial assistance did not agree to the amount requested for reimbursement. As a result, material audit adjustments were required to properly state revenues in the current year financial statements.

Recommendation:

We recommend that ACSA develop and implement internal control procedures as it relates to revenues to ensure that revenues are recorded in the proper period.

Management's Corrective Action Plan:

We will implement the following procedures to ensure we properly record and monitor revenue:

- Monthly grant tracking will be reconciled by the Director of Budget and Revenue between the general ledger and the submitted claims.
- Receivables will only be recorded when claims are made.
- Governmental claims will be confirmed through signed receipts in order to effectively communicate with the Local Education Agency (LEA) and follow up email will be sent to the Special Revenue department to confirm receipt.
- Claims not reimbursed beyond 30 days will be added to an aged receivable schedule and followed up on by the controller or his/her designee through written communication.
- Journal entries in the general ledger for payroll/benefits will include individual file numbers in order to easily distinguish allocation and applicable employees to be claimed.

Contact:

Stuart Gay, Chief Financial Officer, (504) 302-7000.

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings required to be reported in this section.

**ALGIERS CHARTER SCHOOLS ASSOCIATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
AND QUESTIONED COSTS
Year Ended June 30, 2009**

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Finding 2008-01 -- Beginning Net Assets Resolved

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR
FEDERAL AWARD PROGRAMS**

There were no findings required to be reported in this section.

SECTION III - MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2008.