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**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2003 and 2002**

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

Release Date 2-18-04

***DUCOTE & COMPANY***  
***Certified Public Accountants***  
***219 North Washington Street***  
***P. O. Box 309***  
***Marksville, LA 71351***

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**

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**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**

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**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying statements of financial position of the Avoyelles Public Charter School, Inc. (a nonprofit organization) as of June 30, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Public Charter School, Inc. as of June 30, 2003, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2003, on our consideration of Avoyelles Public Charter School, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This 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.

*Ducote & Company*

**DUCOTE & COMPANY**  
Marksville, Louisiana  
December 16, 2003

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

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

We have audited the financial statements of the Avoyelles Public Charter School, Inc. (a nonprofit organization) as of and for the year ended June 30, 2003, and have issued our report thereon dated December 16, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

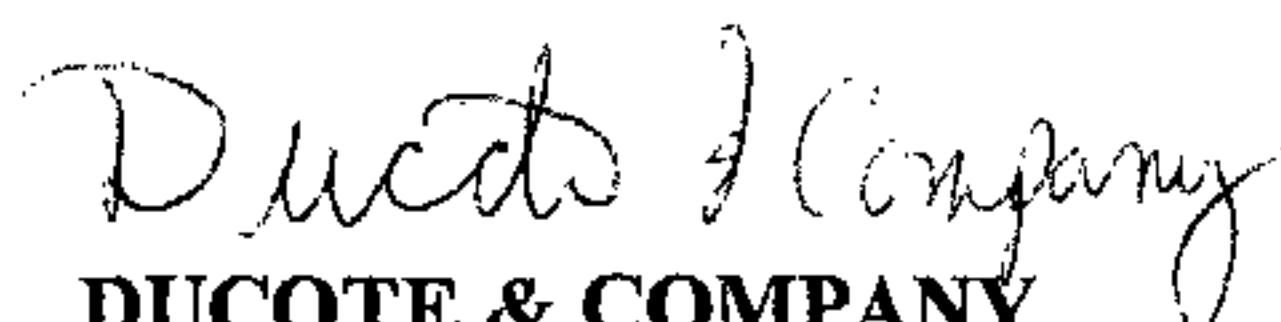
**Compliance**

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

**Internal Control over Financial Reporting**

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

This report is intended solely for the information and use of the Board of Directors and the management of the Avoyelles Public Charter School, Inc., State of Louisiana and Federal granting agencies, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

  
**DUCOTE & COMPANY**  
Marksville, Louisiana  
December 16, 2003

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Mansura, Louisiana**  
**Statements of Financial Position**  
**June 30, 2003 and 2002**

<b>ASSETS</b>	<b>2003</b>	<b>2002</b>
<b>Current assets:</b>		
Cash and interest-bearing accounts	\$447,608	\$188,581
Accrued interest receivable	3,417	1,267
Accounts receivable - grants	177,109	225,379
Accounts receivable - other	0	285
Total current assets	<u>628,134</u>	<u>415,512</u>
<b>Restricted assets:</b>		
Cash and interest-bearing accounts	<u>44,259</u>	<u>34,950</u>
Total restricted assets	<u>44,259</u>	<u>34,950</u>
<b>Property and equipment:</b>		
Land and land improvements	101,853	101,853
Buildings	1,970,451	1,876,571
Transportation equipment	44,500	1,000
Furniture and fixtures	47,819	47,819
Machinery and equipment	31,439	23,654
Construction in progress	0	10,520
	<u>2,196,062</u>	<u>2,061,417</u>
Less accumulated depreciation	<u>(152,379)</u>	<u>(84,618)</u>
Net property and equipment	<u>2,043,682</u>	<u>1,976,798</u>
<b>Other assets:</b>		
Cash and interest-bearing accounts - designated	285,161	284,909
Investments - designated	<u>780,197</u>	<u>304,555</u>
Total other assets	<u>1,065,358</u>	<u>589,464</u>
 Total assets	 <u><u>\$3,781,434</u></u>	 <u><u>\$3,016,725</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$7,079	\$17,076
Accrued expenses	121,314	116,043
Notes payable (current portion)	<u>77,886</u>	<u>81,863</u>
Total current liabilities	<u>206,280</u>	<u>214,982</u>
<b>Long-term liabilities:</b>		
Notes payable	<u>1,693,457</u>	<u>1,737,640</u>
Total long-term liabilities	<u>1,693,457</u>	<u>1,737,640</u>
Total liabilities	1,899,737	1,952,623
<b>Net assets:</b>		
Net assets - unrestricted	772,080	439,688
Net assets - designated	1,065,358	589,464
Net assets - restricted	<u>44,259</u>	<u>34,950</u>
Total net assets	<u>1,881,697</u>	<u>1,064,102</u>
 Total liabilities and net assets	 <u><u>\$3,781,434</u></u>	 <u><u>\$3,016,725</u></u>

See accompanying notes to financial statements.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Mansura, Louisiana**  
**Statements of Activities**  
**For Periods Ended June 30, 2003 and 2002**

	<b>2003</b>	<b>2002</b>
<b>Public Support Revenues and Other Support:</b>		
Unrestricted grants in aid - state	\$2,088,317	\$1,769,080
Restricted grants in aid - federal and state	318,042	313,447
Student fees	60,177	44,614
Donations - unrestricted	13,675	12,806
Miscellaneous revenue	67,810	69,785
Inkind revenue	3,300	1,450
Interest earned	<u>26,502</u>	<u>14,458</u>
 Total public support revenues and other support	 2,577,822	 2,225,640
 <b>Expenses:</b>		
Administrative expenses	203,776	173,676
Program expenses	1,553,150	1,329,175
Inkind expenses	<u>3,300</u>	<u>1,450</u>
 Total expenses	 1,760,226	 1,504,301
 Increase (decrease) in net assets	 817,596	 721,339
 Net assets at beginning of period	 <u>1,064,102</u>	 <u>342,763</u>
 Net assets at end of period	 <u>\$1,881,697</u>	 <u>\$1,064,102</u>

See accompanying notes to financial statements.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Mansura, Louisiana**  
**Statements of Cash Flows**  
**For the Periods Ended June 30, 2003 and 2002**

	2003	2002
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$817,596	\$721,339
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	67,761	54,838
(Increase) decrease in operating assets:		
Accounts receivable	48,270	(115,053)
Accrued receivables	(1,250)	(1,267)
Other receivables	285	(285)
Increase (decrease) in operating liabilities:		
Accounts payable	(9,997)	(5,632)
Accrued expenses	5,269	48,766
Increase in school activity funds	<u>0</u>	<u>8,982</u>
 Net cash provided (used) by operating activities	 <u>927,934</u>	 <u>711,688</u>
 <b>Cash flows from investing activities:</b>		
Payments for purchases of property and equipment	(134,645)	(414,760)
Payments for purchases of investments	<u>(475,642)</u>	<u>(304,555)</u>
 Net cash flows provided (used) by investing activities	 <u>(610,287)</u>	 <u>(719,315)</u>
 <b>Cash flows from financing activities:</b>		
Increase in notes payable	0	349,390
Decrease in notes payable	<u>(48,160)</u>	<u>(76,415)</u>
 Net cash provided (used) by financing activities	 <u>(48,160)</u>	 <u>272,975</u>
 Net increase (decrease) in cash and cash equivalents	 269,487	 265,348
 Beginning cash and cash equivalents	 <u>508,441</u>	 <u>243,093</u>
 Ending cash and cash equivalents	 <u>\$777,928</u>	 <u>\$508,441</u>

See accompanying notes to financial statements.



**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Mansura, Louisiana**  
**Statement of Functional Expenses**  
**For the Period Ended June 30, 2003**

	<u>Administrative Expenses</u>	<u>Program Expenses</u>	<u>Total</u>
<b>Expenses:</b>			
Salaries	\$69,649	\$812,846	\$882,495
Payroll taxes	1,904	9,898	11,802
Employee group insurance benefits	5,013	78,438	83,451
Retirement fund contribution	8,177	104,916	113,093
Transportation	0	14,066	14,066
Advertising	280	0	280
Depreciation expense	0	67,761	67,761
Dues and fees	2,987	4,389	7,376
Insurance	22,765	13,755	36,520
Repairs and maintenance	0	24,353	24,353
Audit/Accounting services	32,079	0	32,079
Other professional services	34,135	54,177	88,312
Miscellaneous expense	0	30,013	30,013
Bank charges and fees	110	0	110
Purchased educational services	0	6,306	6,306
Materials and supplies	20,266	63,359	83,625
Books and periodicals	0	36,608	36,608
Telephone and postage	6,411	0	6,411
Utilities	0	26,731	26,731
Food service management	0	108,730	108,730
Interest expense	0	96,803	96,803
	<u>0</u>	<u>96,803</u>	<u>96,803</u>
 Total expenses	 <u>\$203,776</u>	 <u>\$1,553,150</u>	 <u>\$1,756,926</u>

See accompanying notes to financial statements.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements**  
**June 30, 2003**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

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

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

Basis of Accounting

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

Public Support and Revenue

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

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

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Avoyelles Public Charter School, Inc. had no temporarily or permanently restricted net assets as of June 30, 2003 arising from contributions.

Cash and cash equivalents

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

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2003**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment

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

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

**NOTE B - CASH AND CASH EQUIVALENTS**

At June 30, 2003, the School has cash and cash equivalents (book balances) totaling \$777,029 as follows:

Demand deposits	\$ 470,817
Time deposits	<u>306,212</u>
Total	<u>\$ 777,029</u>

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

At June 30, 2003, the school had \$1,612,618 in deposits (collected bank balances). These deposits are secured from risk by \$212,425 of federal deposit insurance. The remaining balance of \$1,400,193 was secured by the pledge of securities.

**NOTE C- INVESTMENTS**

At June 30, 2003, the school holds investments totaling \$780,197 as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of Deposit	<u>\$780,197</u>	<u>\$780,197</u>
Total	<u>\$780,197</u>	<u>\$780,197</u>

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2003**

**NOTE C - GRANTS RECEIVABLE**

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 2003 and 2002:

	<b>2003</b>	<b>2002</b>
United States Department of Education IDEA/Special Ed	\$ 12,628	\$ 22,815
United States Department of Education Title I	110,117	106,074
United States Department of Education Title II	28,285	568
United States Department of Education Title VI	-	42
United States Department of Education Title V	1,249	-
United States Department of Education Education Excellence	2,208	-
United States Department of Education Preschool	2,005	4,272
United States Department of Education K-3 Reading and Math	12,241	12,939
United States Department of Education Class Size Reduction	-	18,669
Louisiana State Board of Elementary and Secondary Education – 2 <sup>nd</sup> Year Charter Grant	-	60,000
Louisiana State Board of Elementary and Secondary Education – Student Enhancement	8,144	-
Louisiana State Board of Elementary and Secondary Education – Arts in Education	<u>232</u>	<u>-</u>
Total grants receivable	<u><b>\$177,109</b></u>	<u><b>\$225,379</b></u>

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2003**

**NOTE D – FIXED ASSETS**

A summary of fixed assets is as follows:

	<u>Balance</u> <u>June 30, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2003</u>
Land and land improvements	\$ 101,853	\$ -	\$ -	\$ 101,853
Buildings	1,876,571	93,880	-	1,970,451
Transportation equipment	1,000	43,500	-	44,500
Furniture and Fixtures	47,819	-	-	47,819
Machinery and equipment	23,654	7,785	-	31,439
Construction in progress	<u>10,520</u>	<u>-</u>	<u>10,520</u>	<u>-</u>
	<u>2,061,417</u>	<u>\$ 145,165</u>	<u>\$ 10,520</u>	<u>2,196,062</u>
Accumulated depreciation	<u>(84,618)</u>	<u>\$ ( 67,761)</u>	<u>\$ -</u>	<u>( 152,379)</u>
Net fixed assets	<u>\$1,976,798</u>			<u>\$2,043,682</u>

**NOTE E – LONG-TERM NOTE PAYABLE**

**United States Department of Agriculture**

By resolution of the Board of Directors on February 22, 2000, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$1,600,000 for the purpose of providing the cost of building an educational facility. The Board of Directors entered into a security agreement with the United States Department of Agriculture (USDA) Rural Development Division to borrow \$1,600,000 at an interest rate of 5.125% payable over twenty-five years. At June 30, 2003 the school had an outstanding principal balance of \$1,520,698. Future debt service requirements are as follows:

<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2004	41,690	76,966	118,656
2005	43,878	74,778	118,656
2006	46,180	72,476	118,656
2007	48,603	70,053	118,656
2008	51,154	67,502	118,656
2009-2025	<u>1,289,193</u>	<u>598,928</u>	<u>1,888,121</u>
Totals	<u>\$1,520,698</u>	<u>\$960,703</u>	<u>\$2,481,401</u>

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2003**

**NOTE E – LONG-TERM NOTE PAYABLE (continued)**

**Louisiana Local Government Environmental Facilities and Community Development Authority**

By resolution of the Board of Directors on December 1, 2001, the Avoyelles Public Charter School, Inc. authorized the incurrence of indebtedness in the principal amount of \$497,694. The Board of Directors entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to borrow \$497,694 interest free through the issuance of Qualified Zone Academy Bonds (QZAB's) payable over thirteen years. At June 30, 2003 the school had drawn down \$295,890 with remaining available funds of \$201,804. The remaining funds will be drawn down as projects are approved by the Authority. Future debt service requirements are as follows:

<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2004	36,196	-	36,196
2005	36,196	-	36,196
2006	36,196	-	36,196
2007	36,196	-	36,196
2008	36,196	-	36,196
2009-2015	<u>69,665</u>	<u>-</u>	<u>69,665</u>
Totals	<u>\$ 250,645</u>	<u>\$ -</u>	<u>\$ 250,645</u>

**NOTE F – NET ASSETS**

**Designated**

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

**Restricted**

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

The loan covenant for the outstanding loan with the USDA requires a reserve account deposit each month in the amount \$950 until the amount on deposit is equal to the reserve fund requirement. The reserve account was funded in the amount of \$11,400 and \$11,400 at June 30, 2003 and 2002, respectively, and these funds are presented as restricted net assets on the financial statements.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2003**

**NOTE G – RETIREMENT SYSTEMS**

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

**A. Teachers' Retirement System of Louisiana (TRS)**

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

**Funding Policy.** Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School is required to contribute at an actuarially determined rate. The current rate is 13.1 percent of annual covered payroll for all three membership plans. Member contributions and employer's contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School's employer contribution for the TRS, as provided by state law, are funded by the State of Louisiana through annual appropriations and by remittances from the School.

The School's contributions to the TRS for the year ending June 30, 2003, 2002, and 2001 were \$180,400, \$157,802, and \$103,483 respectively, equal to the required contributions for each year.

**B. Louisiana School Employees' Retirement System (LSERS)**

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



**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2003**

**NOTE G – RETIREMENT SYSTEMS (continued)**

**Funding Policy.** Plan members are required to contribute 7.5 percent of their annual covered salary, and the school board is required to contribute at an actuarially determined rate. The current rate is 6.00 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law, and rates are established by the Public Retirement Systems' Actuarial Committee. The School's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The School's contributions to the LSERS for the year ending June 30, 2003, 2002, and 2001 were \$1,964, \$2,115, and \$519 respectively, equal to the required contributions for each year.

**NOTE H – COMPENSATED ABSENCES**

The school has the following policy relating to annual leave:

The school allows each employee ten days of annual leave each school year. Annual leave can be accumulated without limitation. Upon termination, retirement or death, unused accumulated annual leave benefits are not paid to the employee. However, under Teachers Retirement System of Louisiana and Louisiana School Employees Retirement System, allowable unpaid personal leave is used in the retirement benefit computation as earned service.

**NOTE I – CHANGES IN SCHOOL ACTIVITY DEPOSITS DUE TO OTHERS**

A summary of changes in school activity deposits due others follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
School activity accounts	\$ <u>8,983</u>	\$ <u>62,696</u>	\$ <u>59,254</u>	\$ <u>12,425</u>

**NOTE J – DONATED SERVICES**

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



**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Notes to Financial Statements (continued)**  
**June 30, 2003**

**NOTE K – SUBSEQUENT EVENTS**

**United States Department of Agriculture**

Subsequent to June 30, 2003, the school was also approved for an additional direct loan from the United States Department of Agriculture in the amount of \$600,000. Repayment term is for twenty-five years at a rate of interest to be determined when financing is completed.

Also subsequent to June 30, 2003, the school had applied for an additional direct loan from the United States Department of Agriculture in the amount of \$12,000,000. If approved, the proceeds from this loan will be used to finance the construction of a performing arts facility as well as a high school educational facility.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2003**

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corr. Action Taken</u>
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**Section I – Internal Control and Compliance Material to the Financial Statements**

No findings noted.

**Section II – Internal Control and Compliance Material to Federal Awards**

No findings noted.

**Section III – Management Letter**

No findings noted.

**AVOYELLES PUBLIC CHARTER SCHOOL, INC.**  
**Corrective Action Plan for Current Year Audit Findings**  
**For the Year Ended June 30, 2003**

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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**Section I – Internal Control and Compliance Material to the Financial Statements**

No findings noted.

**Section II – Internal Control and Compliance Material to Federal Awards**

Not applicable

**Section III – Management Letter Comments**

No findings noted.

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

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

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

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

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

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

No differences noted.

### **Education Levels of Public School Staff (Schedule 2)**

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

No differences noted.

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

No differences noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a population of 19 teachers (total number of teachers on staff) to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

No differences noted.

### **Number and Type of Public Schools (Schedule 3)**

5. 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.

No differences noted.

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

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

We noted five instances of erroneous documentation of teaching experience by the School. Two of the instances had been cited in last years report issued after October 1, 2002. Therefore, these two instances had not been corrected before the submission of the October 1, 2002 PEP data.

#### **Managements Response:**

Management will be more careful in the future in its computation of teacher experience. The corresponding schedule which follows reflects accurate years of experience of the School's full-time teachers, principals and assistant principals.

### **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 population of 18 teachers (total number of teachers on staff) to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences noted.

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

No differences noted.

**Class Size Characteristics (Schedule 6)**

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

No differences noted.

**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 the Avoyelles Public Charter School, Inc..

No differences noted.

**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 the Avoyelles Public Charter School, Inc.

This schedule was not applicable to the Avoyelles Public Charter School, Inc. as they have not yet been required to administer this test.

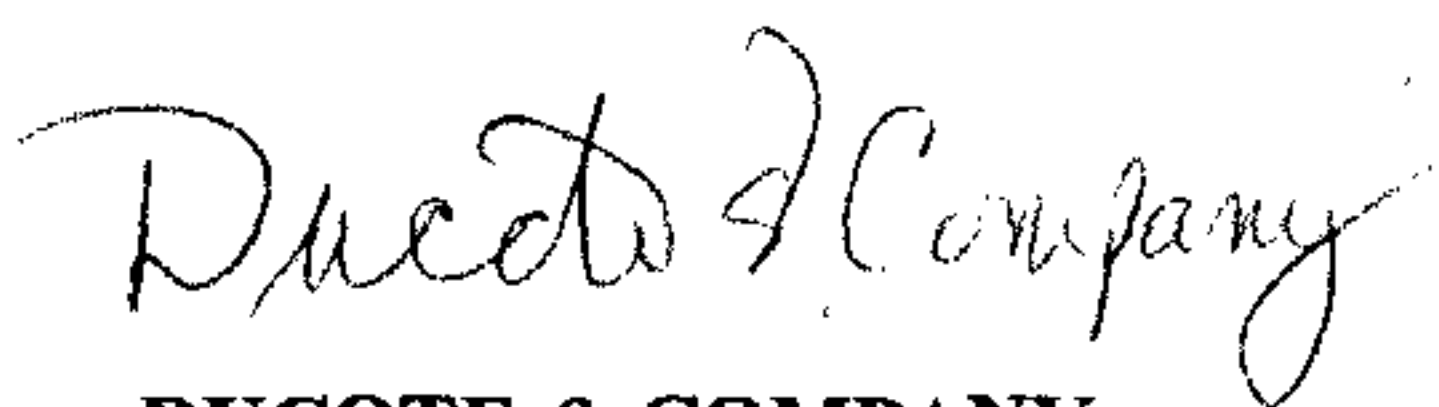
**The Iowa Tests (Schedule 9)**

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

No differences noted.

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

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



**DUCOTE & COMPANY**

Marksville, Louisiana

December 16, 2003

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

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2003**

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures:**

**Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 586,558	
Other Instructional Staff Activities	61,998	
Employee Benefits	174,430	
Purchased Professional and Technical Services	1,227	
Instructional Materials and Supplies	73,820	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 898,033

Other Instructional Activities 31,281

**Pupil Support Activities**

Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	-

**Instructional Staff Services**

Less: Equipment for Instructional Staff Services	11,974	
Net Instructional Staff Services	-	11,974

Total General Fund Instructional Expenditures \$ 941,288

Total General Fund Equipment Expenditures \$ -

**Certain Local Revenue Sources**

**Local Taxation Revenue:**

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

**Local Earnings on Investment in Real Property:**

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

**State Revenue in Lieu of Taxes:**

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

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -



**AVOYELLES PUBLIC CHARTER SCHOOL  
MANSURA, LOUISIANA**

**Education Levels of Public School Staff  
As of October 1, 2002**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	15	79%	3	16%	0	0%	2	100%
Master's Degree	0	0%	0	0%	0	0%	0	0%
Master's Degree + 30	1	5%	0	0%	0	0%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>16</b>	<b>84%</b>	<b>3</b>	<b>16%</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>100%</b>

**Schedule 3****AVOYELLES PUBLIC CHARTER SCHOOL, INC.  
MANSURA, LOUISIANA****Number and Type of Public Schools  
For the Year Ended June 30, 2003**

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

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

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

**Experience of Public Principals and Full-time Classroom Teachers  
As of October 1, 2002**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	1	0	0	0	1
Principals	0	0	1	0	0	0	0	1
Classroom Teachers	3	3	6	1	3	2	1	19
<b>Total</b>	<b>3</b>	<b>3</b>	<b>7</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>21</b>

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

**Public School Staff Data  
For the Year Ended June 30, 2003**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$ 29,881.95	\$ 29,881.95
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$ 28,124.58	\$ 28,124.58
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	19	19

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

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

**Class Size Characteristics  
As of October 1, 2002**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0%	0	0%	0	100%	16	0%	0
Elementary Activity Classes	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	0%	0	0%	0	0%	0	0%	0
High Activity Classes	0%	0	0%	0	0%	0	0%	0
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

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

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

**Louisiana Educational Assessment Program (LEAP) for the 21st Century  
For the Year Ended June 30, 2003**

District Achievement Level Results	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>											N/A	
Advanced	2	4%	4	7%	0	0%	0	0%	1	2%	0	0%
Proficient	6	11%	8	15%	11	22%	7	13%	7	13%	2	4%
Basic	32	59%	19	35%	30	60%	26	48%	16	30%	32	64%
Approaching Basic	13	24%	20	37%	8	16%	15	28%	18	33%	11	22%
Unsatisfactory	1	2%	3	6%	1	2%	6	11%	12	22%	5	10%
<b>Total</b>	<b>54</b>	<b>100%</b>	<b>54</b>	<b>100%</b>	<b>50</b>	<b>100%</b>	<b>54</b>	<b>100%</b>	<b>54</b>	<b>100%</b>	<b>50</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>	N/A		N/A		N/A		N/A		N/A		N/A	
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
<b>Total</b>												

**AVOYELLES PUBLIC CHARTER SCHOOL  
MANSURA, LOUISIANA**

**The Graduation Exit Exam for the 21st Century  
For the Year Ended June 30, 2003**

District Achievement Level Results	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>	N/A											
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
<b>Total</b>												

District Achievement Level Results	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>	N/A											
Advanced												
Proficient												
Basic												
Approaching Basic												
Unsatisfactory												
<b>Total</b>												

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

**The IOWA Tests**  
**For the Year Ended June 30, 2003**

	<b>Composite</b>		
	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>Test of Basic Skills (ITBS)</b>			
Grade 3	59.0%	56.0%	69.0%
Grade 5	54.0%	54.5%	53
Grade 6	55.0%	50.5%	N/A
Grade 7	52.0%	N/A	N/A
<b>Tests of Educational Development (ITED)</b>			
Grade 9	N/A	N/A	N/A

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.