

**AUDUBON  
CHARTER SCHOOL**

Audit of Financial Statements

June 30, 2007

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## Independent Auditor's Report

To the Board of Trustees  
Audubon Charter School  
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Audubon Charter School (the School), a non-profit organization, as of June 30, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Audubon Charter School as of June 30, 2007, and the results of its operations and its cash flows for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

An audit was performed for the purpose of forming an opinion on the financial statements of Audubon Charter School. The accompanying supplemental information is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied to 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2007, on our consideration of Audubon Charter School's internal control over financial reporting and on our tests of its compliance with 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.

A Professional Accounting Corporation

December 14, 2007

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**AUDUBON CHARTER SCHOOL**  
**Statement of Financial Position**  
**June 30, 2007**

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<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,205,950
Prepaid Expenses	<u>17,035</u>
<b>Total Current Assets</b>	<u>1,222,985</u>
<b>Fixed Assets</b>	
Computers	31,250
Improvements	37,007
Accumulated Depreciation	<u>(3,642)</u>
<b>Total Fixed Assets, Net</b>	<u>64,615</u>
<b>Total Assets</b>	<u><u>\$ 1,287,600</u></u>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts Payable	<u>\$ 45,987</u>
<b>Total Liabilities</b>	<u>45,987</u>
<b>Net Assets</b>	
Unrestricted	<u>1,241,613</u>
<b>Total Net Assets</b>	<u>1,241,613</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,287,600</u></u>

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

**AUDUBON CHARTER SCHOOL**  
**Statement of Activities**  
**For the Year Ended June 30, 2007**

	<u>Unrestricted</u>
<b>Revenue, Grants and Other Support</b>	
State Public School Funding	\$ 3,875,728
Donations	352,438
Other Income	325,729
Federal Grants	122,250
School Food Service Reimbursement	51,657
Other State Funding	<u>41,000</u>
<b>Total Revenue, Grants and Other Support</b>	<u>4,768,802</u>
<b>Expenses</b>	
<b>Program Services</b>	
Regular Education Programs	2,253,766
Special Education Programs	532,007
<b>Support Services</b>	
Operation and Maintenance of Plant	786,478
General Administration	494,493
Instructional Staff Support	473,712
School Administration	246,409
Food Service	182,036
Other	179,685
Pupil Support Services	<u>2,500</u>
<b>Total Expenses</b>	<u>5,151,086</u>
<b>Decrease in Net Assets</b>	(382,284)
<b>Net Assets, Beginning of Year</b>	<u>1,623,897</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 1,241,613</u></u>

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

**AUDUBON CHARTER SCHOOL**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2007**

<b>Cash Flows from Operating Activities</b>	
Decrease in Net Assets	\$ (382,284)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	3,642
Decrease in Grants Receivable	542,729
Decrease in Prepaid Expenses	5,610
Increase in Accounts Payable	4,705
Decrease in Accrued Payroll Liabilities	<u>(30,178)</u>
Total Adjustments	<u>526,508</u>
<b>Net Cash Provided by Operating Activities</b>	<u>144,224</u>
 <b>Cash Flows from Financing Activities</b>	
Fixed Asset Purchases	<u>(68,257)</u>
<b>Net Cash Used in Financing Activities</b>	<u>(68,257)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	75,967
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,129,983</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 1,205,950</u></u>

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

# AUDUBON CHARTER SCHOOL

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies

French and Montessori Education, Inc. (the Corporation) was created as a non-profit corporation under the laws of the State of Louisiana on October 28, 2005. The Corporation applied to the Orleans Parish School Board to operate a Type III charter school. On January 12, 2006, the Orleans Parish School Board approved the charter of Audubon Charter School (the School). The charter was granted for a minimum of five years. The School serves eligible students in pre-kindergarten through eighth grade.

The formation of the School was in response to the devastation left by Hurricane Katrina. Accordingly, the Orleans Parish School Board is allowing the School to operate the building formerly used by the Audubon Montessori School (a school of the Orleans Parish School Board) rent free. A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

#### **Financial Statement Presentation**

The School follows the guidance of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose restrictions. Restricted contributions, for which the restriction is met in the same year, are classified as unrestricted.

#### **Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of Audubon Charter School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

#### **Revenues**

The School's primary source of funding is through the State Public School Fund and the Orleans Parish School Board. The School received \$2,010,806 from the State and \$1,864,921 from the School Board based on eligible students in attendance on a monthly basis. State and Federal grants are on a cost reimbursement basis. Accrual is made when eligible expenses occur.

#### **Fixed Assets and Depreciation**

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



**AUDUBON CHARTER SCHOOL**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fixed Assets and Depreciation (Continued)**

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense totaled \$3,642 for the year ended June 30, 2007. The following are the estimated useful lives of the fixed assets of the School:

**Useful Lives**

Improvements	7-10
Computers	3

**Income Taxes**

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

**Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

**Use of Estimates**

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

**Concentrations**

The School received 82% of its revenues in the period ended June 30, 2007, from the State of Louisiana, subject to its charter school contract with the State, and 2% of its funding from the Federal Government. Financial instruments that potentially subject the School to concentrations of credit risk consist of cash in deficit of federally insured limits of \$104,141.

**Compensated Absences**

The Board of Directors of the School grants all contracted employees of the School a total of 10 days of sick pay per year, provided, however, that the employee is contracted for a full year. Contracted employees may carry over 4 sick days from year to year. The liability at June 30, 2007 is considered to be immaterial and is not recorded in the financial statements.

**Note 2. Cash and Cash Equivalents**

As of June 30, 2007, cash consists of demand deposits in a local bank of \$1,205,950.

# AUDUBON CHARTER SCHOOL

## Notes to Financial Statements

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### Note 3. Fixed Assets

Depreciation expense for the year ended June 30, 2007, was \$3,642.

All assets acquired with Department of Education funds are owned by the School while used in the purpose for which they were purchased. The Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency. Assets purchased with private funds remain the property of Audubon Charter School.

### Note 4. Retirement Plans

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (the System). Prior to June 30, 2006, newly hired teachers and teachers who had been terminated by the Orleans Parish School Board were not allowed to participate. Subsequently, these teachers will be required to participate in the System. The System is a cost-sharing, multiple-employer defined benefit pension plan administered and controlled by separate boards of trustees. Pertinent information relative to the plan follows:

#### Plan Description

The System provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credit 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 following formula percentages:

<u>Minimum Age</u>	<u>Teachers' Regular</u>
60	2.0% per year
Any age	2.0% per year
55	2.5% per year
Any age	2.5% per year
65	2.5% per year

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.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Teachers Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123, (225)925-6446.

#### Funding Policy

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. The current rate is 15.9% of annual eligible covered payroll. Member contributions and employer contributions for the System are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the period ended June 30, 2006 was \$110,691, and for the year ended June 30, 2007, is \$337,471, which is equal to the required contribution for the period.

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



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees  
Audubon Charter School  
New Orleans, Louisiana

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

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

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

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

### **Findings:**

During our test of transactions, we noted one disbursement for which the invoice or other documentation could not be found. However, the remaining items that were examined were classified and reported correctly.

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

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-Time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to School supporting payroll records as of October 2<sup>nd</sup>.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-Time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 2<sup>nd</sup> and as reported on the schedule. We traced each of the teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

#### **Findings:**

None

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

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

#### **Findings:**

None

### **Experience of Public Principals 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 2<sup>nd</sup> and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

#### **Findings:**

None

### **Public Staff Data (Schedule 5)**

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

#### **Findings:**

None

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

**Findings:**

None

**Class Size Characteristics (Schedule 6)**

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 2<sup>nd</sup> roll books for those classes and determined if the class was properly classified on the schedule.

**Findings:**

None

**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 Audubon Charter School.

**Findings:**

None

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

11. Not applicable.

**The ILEAP Tests (Schedule 9)**

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

**Findings:**

None

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

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



A Professional Accounting Corporation

December 14, 2007

**AUDUBON CHARTER SCHOOL**  
**Schedules Required by State Law**  
**(R.S. 24:514 - Performance and Statistical Data)**  
**As of and for the Period Ended June 30, 2007**

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 4 - Experience of Public Principals and Full-Time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data**

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

**Schedule 7 - Louisiana Educational Assessment Program (LEAP) for the 21<sup>st</sup> Century**

This schedule represents student performance testing data and includes summary scores by district for grade 4 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory.

**Schedule 8 - The Graduation Exit Exam for the 21<sup>st</sup> Century**

Not applicable.

**Schedule 9 - The ILEAP Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. This schedule includes one period of data.



**AUDUBON CHARTER SCHOOL**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Period Ended June 30, 2007**

<b><u>General Fund Instructional and Equipment Expenditures</u></b>		
<b>General Fund Instructional Expenditures</b>		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 1,179,283	
Other Instructional Staff Salaries	421,084	
Employee Benefits	863,332	
Purchased Professional and Technical Services	-	
Instructional Materials and Supplies	71,869	
Instructional Equipment	-	
<b>Total Teacher and Student Interaction Activities</b>		<b>\$ 2,535,568</b>
Other Instructional Activities	43,996	43,996
Pupil Support Activities	66,630	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		66,630
Instructional Staff Services	373,136	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		373,136
School Administration	653,492	
Less: Equipment for School Administration	-	
Net School Administration		653,492
<b>Total General Fund Instructional Expenditures</b>		<b>\$ 3,672,822</b>
<b>Total General Fund Equipment Expenditures</b>		<b>\$ -</b>
<b><u>Certain Local Revenue Sources</u></b>		
<b>Local Taxation Revenue</b>		
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	-	
<b>Total Local Taxation Revenue</b>		<b>\$ -</b>
<b>Local Earnings on Investment in Real Property</b>		
	\$ -	
Earnings from 16th Section Property	-	
Earnings from Other Real Property	-	
<b>Total Local Earnings on Investment in Real Property</b>		<b>\$ -</b>
<b>State Revenue in Lieu of Taxes</b>		
Revenue Sharing - Constitutional Tax	\$ -	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
<b>Total State Revenue in Lieu of Taxes</b>		<b>\$ -</b>
Nonpublic Textbook Revenue	\$ -	
Nonpublic Transportation Revenue	\$ -	

AUDUBON CHARTER SCHOOL  
 Education Levels of Public School Staff  
 As of October 2, 2006

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelors Degree								
Bachelors Degree	24	63%	4	67%	-	0%	-	0%
Masters Degree	14	37%	2	33%	1	50%	-	0%
Masters Degree + 30	-	0%	-	0%	1	50%	-	0%
Specialist in Education	-	0%	-	0%	-	0%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	-	0%	-	0%
<b>Total</b>	<b>38</b>	<b>100%</b>	<b>6</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>-</b>	<b>0%</b>

AUDUBON CHARTER SCHOOL  
Number and Type of Public Schools  
For the Year Ended June 30, 2007

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

**AUDUBON CHARTER SCHOOL**  
**Experience of Public Principals and Full-Time Classroom Teachers**  
**As of October 2, 2006**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals							1	1
Principals							1	1
Classroom Teachers	7	2	6	3	9	9	8	44
<b>Total</b>	<b>7</b>	<b>2</b>	<b>6</b>	<b>3</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>46</b>

Schedule 5

AUDUBON CHARTER SCHOOL  
 Public School Staff Data  
 For the Year Ended June 30, 2007

	All Classroom Teachers	Classroom Teachers Excluding ROTC Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$ 42,242	\$ 42,176
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 41,336	\$ 41,217
Number of Teacher Full-Time Equivalents (FTEs) Used in Computation of Average Salaries	44	43

**AUDUBON CHARTER SCHOOL**  
**Class Size Characteristics**  
**As of October 2, 2006**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Combination	98%	43	2%	1	0%	0	0%	0
Elementary Activity Classes	0%	0	0%	0	0%	0	0%	0

**AUDUBON CHARTER SCHOOL**  
Louisiana Educational Assessment Program (LEAP)  
For the 21<sup>ST</sup> Century  
For the Year Ended June 30, 2007

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	5	9%	3	14%	N/A	N/A	1	2%	0	0%	N/A	N/A
Mastery	23	40%	6	29%	N/A	N/A	5	9%	6	29%	N/A	N/A
Basic	29	49%	10	48%	N/A	N/A	45	77%	12	57%	N/A	N/A
Approaching Basic	1	2%	2	9%	N/A	N/A	3	5%	2	9%	N/A	N/A
Unsatisfactory	0	0%	0	0%	N/A	N/A	4	7%	1	5%	N/A	N/A
<b>Total</b>	<b>58</b>	<b>100%</b>	<b>21</b>	<b>100%</b>	<b>N/A</b>	<b>N/A</b>	<b>58</b>	<b>100%</b>	<b>21</b>	<b>100%</b>	<b>N/A</b>	<b>N/A</b>

District Achievement Level Results	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	0	0%	0	0%	N/A	N/A	1	5%	0	0%	N/A	N/A
Mastery	5	26%	3	25%	N/A	N/A	4	21%	3	25%	N/A	N/A
Basic	8	42%	4	33%	N/A	N/A	9	48%	7	59%	N/A	N/A
Approaching Basic	3	16%	3	25%	N/A	N/A	5	26%	1	8%	N/A	N/A
Unsatisfactory	3	16%	2	17%	N/A	N/A	0	0%	1	8%	N/A	N/A
<b>Total</b>	<b>19</b>	<b>100%</b>	<b>12</b>	<b>100%</b>	<b>N/A</b>	<b>N/A</b>	<b>19</b>	<b>100%</b>	<b>12</b>	<b>100%</b>	<b>N/A</b>	<b>N/A</b>

**AUDUBON CHARTER SCHOOL**  
**The Graduation Exit Exam for the 21st Century**  
**For the Year Ended June 30, 2007**

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



AUDUBON CHARTER SCHOOL  
The ILEAP Tests  
For the Year Ended June 30, 2007

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	4	6%	7	10%	6	9%	2	3%
Mastery	22	30%	12	17%	16	22%	17	24%
Basic	26	36%	32	44%	32	44%	39	54%
Approaching Basic	17	24%	14	19%	11	15%	11	15%
Unsatisfactory	3	4%	7	10%	7	10%	3	4%
<b>Total</b>	<b>72</b>	<b>99%</b>	<b>72</b>	<b>100%</b>	<b>72</b>	<b>101%</b>	<b>72</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	1	3%	3	8%	0	0%	0	0%
Mastery	5	12%	7	18%	9	24%	3	8%
Basic	23	61%	20	53%	19	50%	21	55%
Approaching Basic	8	21%	6	16%	10	26%	9	24%
Unsatisfactory	1	3%	2	5%	0	0%	5	13%
<b>Total</b>	<b>38</b>	<b>99%</b>	<b>38</b>	<b>100%</b>	<b>38</b>	<b>100%</b>	<b>38</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	1	3%	3	10%	1	3%	2	7%
Basic	23	77%	20	66%	21	70%	17	56%
Approaching Basic	6	20%	5	17%	8	27%	11	37%
Unsatisfactory	0	0%	2	7%	0	0%	0	0%
<b>Total</b>	<b>30</b>	<b>100%</b>	<b>30</b>	<b>99%</b>	<b>30</b>	<b>100%</b>	<b>30</b>	<b>99%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	0	0%	0	0%	0	0%	1	3%
Mastery	6	19%	1	3%	2	6%	2	6%
Basic	17	55%	23	74%	17	56%	21	68%
Approaching Basic	7	23%	7	23%	10	32%	4	13%
Unsatisfactory	1	3%	0	0%	2	6%	3	10%
<b>Total</b>	<b>31</b>	<b>100%</b>	<b>31</b>	<b>100%</b>	<b>31</b>	<b>101%</b>	<b>31</b>	<b>100%</b>

AUDUBON CHARTER SCHOOL  
The ILEAP Tests  
For the Year Ended June 30, 2007

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	3	7%	2	4%	2	4%	1	2%
Mastery	9	20%	10	22%	12	26%	17	37%
Basic	21	45%	27	59%	19	41%	18	39%
Approaching Basic	8	17%	2	4%	10	22%	9	20%
Unsatisfactory	5	11%	5	11%	3	7%	1	2%
<b>Total</b>	<b>46</b>	<b>100%</b>	<b>46</b>	<b>100%</b>	<b>46</b>	<b>100%</b>	<b>46</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	0	0%	0	0%	1	7%	0	0%
Mastery	4	27%	1	7%	0	0%	2	13%
Basic	5	33%	10	67%	7	47%	8	54%
Approaching Basic	6	40%	2	13%	5	33%	5	33%
Unsatisfactory	0	0%	2	13%	2	13%	0	0%
<b>Total</b>	<b>15</b>	<b>100%</b>	<b>15</b>	<b>100%</b>	<b>15</b>	<b>100%</b>	<b>15</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	1	5%	0	0%	0	0%	2	11%
Mastery	6	32%	4	21%	2	11%	2	11%
Basic	8	42%	11	58%	11	57%	10	52%
Approaching Basic	4	21%	3	16%	4	21%	4	21%
Unsatisfactory	0	0%	1	5%	2	11%	1	5%
<b>Total</b>	<b>19</b>	<b>100%</b>	<b>19</b>	<b>100%</b>	<b>19</b>	<b>100%</b>	<b>19</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	3	13%	1	4%	0	0%	0	0%
Mastery	4	17%	5	22%	5	22%	5	22%
Basic	8	35%	11	48%	7	30%	17	74%
Approaching Basic	8	35%	4	17%	9	39%	1	4%
Unsatisfactory	0	0%	2	9%	2	9%	0	0%
<b>Total</b>	<b>23</b>	<b>100%</b>	<b>23</b>	<b>100%</b>	<b>23</b>	<b>100%</b>	<b>23</b>	<b>100%</b>

**SUPPLEMENTAL INFORMATION**

**AUDUBON CHARTER SCHOOL**  
**Schedule of Board of Trustees**  
**June 30, 2007**

<b>Board Members</b>	<b>Compensation</b>
Carlos Zervigón, Chairperson 8424 Zimple Street New Orleans, LA 70118	\$ -0-
Edwin Shorty Jr.(Vice-Chairperson) 650 Poydras Street, Suite 1400 New Orleans, LA 70130	-0-
Laura Watts (Treasurer) 909 Poydras Street New Orleans, LA 70112	-0-
James Reiss (Secretary) 1228 Pleasant Street New Orleans, LA 70115	-0-
Teddi Locke 7818 Panoia Street New Orleans, LA 70118	-0-
Kenneth Ducote 1934 Burgundy Street New Orleans, LA 70116	-0-
Pierre LeBovics 1340 Poydras Street, Suite 1710 New Orleans, LA 70112	-0-
Allen Miller 365 Canal Street, Suite 2000 New Orleans, LA 70130	-0-
Wynn Seemann 428 Walnut Street New Orleans, LA 70118	-0-
Cornelius Tilton 819 First Street New Orleans, LA 70130	-0-
Gary Allen Wood 2800 Chartres Street New Orleans, LA 70117	-0-



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

To the Board of Trustees  
Audubon Charter School  
New Orleans, Louisiana

We have audited the financial statements of Audubon Charter School (a nonprofit organization) as of and for the period ended June 30, 2007, and have issued our report thereon dated December 14, 2007. 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 Audubon Charter School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Audubon Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control. We consider the deficiency described as 2007-1 in the accompanying schedule of findings and responses to be significant deficiency in internal control over financial reporting.

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

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5100 VILLAGE WALK, SUITE 202, COVINGTON, LA 70433-4012 • 985.892.5850 • FAX 985.892.5956  
5153 BLUEBONNET BOULEVARD, SUITE B, BATON ROUGE, LA 70809 • 225.296.5150 • FAX 225.296.5151  
WWW.LAPORTE.COM

**RSM McGladrey Network**  
An Independently Owned Member

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 internal control that might be significant deficiencies, accordingly, and would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Audubon Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in black ink, likely representing the firm's representative, written in a cursive style.

A Professional Accounting Corporation

December 14, 2007

**AUDUBON CHARTER SCHOOL**  
**Schedule of Findings and Responses**  
**June 30, 2007**

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**2007-1 Financial Statements**

Criteria:

Based on current auditing standards, the School should have a person who has the qualifications and training necessary to prepare the financial statements and the notes to the financial statements in accordance with generally accepted accounting principles.

Condition:

We assist the School in making GAAP based adjustments and preparing the financial statements and the notes to the financial statements.

Cause:

The School does not have a person who possesses the qualifications listed above.

Recommendation:

No action recommended.

Response:

The School has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with generally accepted accounting principles and has determined that it is in their best interests to have its independent auditors assist in performing these tasks. The School will carefully review the draft financial statements and notes prior to approving them and accepting responsibility for them.