

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(For necessary
copies from this
copy and PLACE
BACK in FILE)

RECEIVED
LEGISLATIVE CENTER
09 JUN 12 AM 10:40

**FINANCIAL STATEMENTS AND
AUDITORS' REPORTS**

ST. LANDRY PUBLIC CHARTER SCHOOL

Opelousas, Louisiana

June 30, 1999

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 JUN 14 2000

**ST. LANDRY PUBLIC CHARTER SCHOOL
Opelousas, Louisiana**

**FINANCIAL STATEMENTS AND AUDITORS' REPORTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5
SUPPLEMENTARY INFORMATION	
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	10

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Landry Public Charter School
Opelousas, Louisiana

We have audited the accompanying statement of financial position of St. Landry Public Charter School (a non-profit organization) as of June 30, 1999, and the related statements of activity and changes in net assets 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.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and *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.

The account coding of the general ledger transactions were inaccurate and inconsistent. Also, we were not able to adequately test transactions to ensure proper coding and justification, and we have not satisfied ourselves by means of other procedures concerning the general ledger transactions as they affect the statements of activity and changes in net assets and cash flows. Therefore, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the accompanying statements of activity and changes in net assets and cash flows for the year ended June 30, 1999.

In our opinion, the balance sheet referred to in the first paragraph presents fairly, in all material respects, the financial position of St. Landry Public Charter School as of June 30, 1999, in conformity with generally accepted accounting principles.

A handwritten signature in cursive script, appearing to read "Dauszat Beall & Debevec".

Dauszat, Beall & Debevec, CPA's, APC
June 1, 2000

ST. LANDRY PUBLIC CHARTER SCHOOL
Opelousas, Louisiana

STATEMENT OF FINANCIAL POSITION
June 30, 1999

UNRESTRICTED

ASSETS

Cash	\$ 16,949
Property and equipment (net)	268,328
Grants receivable	84,648
Other receivables	<u>13,728</u>
TOTAL ASSETS	<u>\$ 383,653</u>

LIABILITIES

AND NET ASSETS

Bank overdraft	\$ 180,377
Payroll taxes payable	1,456
Notes payable	<u>22,103</u>
TOTAL LIABILITIES	203,936

NET ASSETS

Unrestricted	179,717
--------------	---------

**TOTAL LIABILITIES
AND NET ASSETS**

\$ 383,653

The accompanying notes are an integral part of this statement.

ST. LANDRY PUBLIC CHARTER SCHOOL
Opelousas, Louisiana

STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
June 30, 1999

UNRESTRICTED

REVENUE AND SUPPORT

Minimum Foundation Program	\$ 1,167,429
Title I	125,793
PIP	5,620
K-3 Reading and Math Grant	14,075
Charter School Grant	<u>70,573</u>
TOTAL REVENUE AND SUPPORT	<u>\$ 1,383,490</u>

EXPENSES

Instructional programs	612,391
Support services:	
Administration	98,631
Facility services	136,148
Student transportation services	22,811
Professional services	58,939
Depreciation	16,043
Miscellaneous	223,987
Food services	<u>34,823</u>
TOTAL EXPENSES	<u>1,203,773</u>

CHANGE IN NET ASSETS 179,717

NET ASSETS, BEGINNING OF YEAR 0

NET ASSETS, END OF YEAR \$ 179,717

The accompanying notes are an integral part of this statement.

ST. LANDRY PUBLIC CHARTER SCHOOL
Opelousas, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999

Cash Flows from Operating Activities:

Increase in Net Assets	\$ 179,717
Adjustments to reconcile Increase in Net Assets to Net Cash from Operating Activities:	
Depreciation	16,043
Increase in Grants Receivable	(84,648)
Increase in Other Receivables	(13,728)
Increase in Payroll Taxes Payable	<u>1,456</u>
Net Cash from Operating Activities	<u>98,840</u>

Cash Flows from Investing Activities:

Purchase of Equipment	<u>(284,371)</u>
Net Cash used in Investing Activities	<u>(284,371)</u>

Cash Flows from Financing Activities:

Payments on Note Payable	(902)
Proceeds from Long-term Borrowings	<u>23,005</u>
Net Cash from Financing Activities	<u>22,103</u>

Net Decrease in Cash and Cash Equivalents (163,428)

Cash and Cash Equivalents at Beginning of Period 0

Cash and Cash Equivalents at End of Period \$ (163,428)

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

ST. LANDRY PUBLIC CHARTER SCHOOL
Opelousas, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

St. Landry Public Charter School, hereinafter referred to as the Charter School is a not-for-profit organization incorporated under Louisiana Corporation Statutes. The Charter School was sponsored by The Harvey Stevens Memorial Foundation and approved as type 2 charter school under R.S. 17:3991 and began operations and open student enrollment in August, 1998. The Charter School is allocated Minimum Foundation Program funds from the State of Louisiana based on an October 1 enrollment date. The Charter School is governed by a board of directors and managed by a superintendent.

A. Basis of Presentation

The accompanying financial statements of St. Landry Public Charter School have been prepared in conformity with generally accepted accounting principles as applied to non-profit organizations. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The financial statement presentation follows the recommendations of the financial accounting standards board in its statement of financial accounting standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Charter School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

B. Basis of Accounting

Basis of accounting refers to when support and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The separate funds are accounted for using the accrual basis of accounting. Support is recognized when it is earned and expenses when the related fund liability is incurred.

ST. LANDRY PUBLIC CHARTER SCHOOL
Opelousas, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Income Taxes

St. Landry Public Charter School is exempt from Federal income taxes as defined in Internal Revenue Code paragraph 501(c)(3).

D. Property and Equipment

Property and equipment is recorded at cost for purchased assets or at fair market value on the date of any donation. Depreciation is provided in the financial statements over the estimated useful lives of the depreciable assets on the straight-line basis. The following estimated useful lives are generally used:

Leasehold Improvements	30 years
Furniture and fixtures	5 - 20 years
Equipment	5 - 15 years

Expenses for additions, major renewals and betterments are capitalized and expenses for maintenance and repairs are charged to operations as incurred.

E. Compensated Absences

No amounts have been recorded for compensated absences; however St. Landry Public Charter School estimates this amount to be insignificant at June 30, 1999.

F. Contingent Liabilities

Amounts received from state agencies are subject to review and adjustment by the state agencies, principally the Louisiana Department of Education (DOE). Any disallowed claims for reimbursement, including amounts already collected, or disallowed amounts expended may constitute a liability of the Charter School. Amounts, if any, of disallowances for the fiscal year ended June 30, 1999, cannot be determined as of June 30, 1999, although the Charter School expects such amounts, if any, to be immaterial.

ST. LANDRY PUBLIC CHARTER SCHOOL
Opelousas, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Cash and Cash Equivalent

For the purpose of financial statements, the Charter School considers all demand deposits and time deposits with an initial maturity for three months or less to be cash equivalents.

NOTE 2 - CASH

At June 30, 1999, the Charter School had cash and cash equivalents (book balances) totaling \$(163,428) as follows:

Checking	\$16,949
Checking(overdraft)	\$(180,377)

The total collected bank balances of these accounts at June 30, 1999 was \$136,197. All deposits were insured by the FDIC.

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment and accumulated depreciation at June 30, 1999, is provided:

	<u>Property and Equipment</u>			
	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Leasehold Improvements	\$ -0-	\$ 55,563	\$ -0-	\$ 55,563
Building	-0-	70,000	-0-	70,000
Furniture & Equipment	-0-	70,103	-0-	70,103
Vehicles	-0-	88,705	-0-	88,705
Totals	<u>\$ -0-</u>	<u>\$ 284,371</u>	<u>\$ -0-</u>	<u>\$ 284,371</u>

ST. LANDRY PUBLIC CHARTER SCHOOL
Opelousas, Louisiana

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 3 - PROPERTY AND EQUIPMENT (continued)

	Accumulated Depreciation			Ending Balance
	Beginning Balance	Additions	Disposals	
Leaschold Improvements	\$ -0-	\$ 1,168	\$ -0-	\$ 1,168
Building	-0-	1,050	-0-	1,050
Furniture & Equipment	-0-	6,666	-0-	6,666
Vehicles	-0-	7,159	-0-	7,159
Totals	\$ -0-	\$ 16,043	\$ 0-	\$ 16,043

NOTE 4 - OPERATING LEASES

The Charter School provides educational services in leased facilities located in Opelousas, Louisiana. The lease is a twelve (12) month operating lease which is renewable by written notice. Rental expense for this lease was \$48,000 for the year ended June 30, 1999.

NOTE 5 - NOTES PAYABLE

The note payable obligations of the Charter School at June 30, 1999 are as follows:

9.7% note payable, due in monthly installments of \$497, including interest, through February 2004, secured by the vehicle purchased with the loan proceeds.

Balance at June 30, 1999	\$ 22,103
--------------------------	-----------

**ST. LANDRY PUBLIC CHARTER SCHOOL
Opclousas, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 6 - RELATED PARTY TRANSACTIONS

During the year, the President of the Board of Directors provided accounting services for St. Landry Public Charter School. Also, the Charter School disbursed funds to pay for expenses incurred by the St. Paul Baptist Church. Because general ledger transactions were not coded correctly and consistently, the amount which was paid to provide accounting services and the amount which was loaned to St. Paul Baptist Church was not determinable.

NOTE 7 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the instructional programs and other services have been summarized on a functional basis in the statement of activity. Accordingly, certain costs have been allocated among the instructional programs and other services benefited.



MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

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

To the Board of Directors
St. Landry Public Charter School
Opclousas, Louisiana

We have audited the financial statements of St. Landry Public Charter School (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated June 1, 2000. We conducted our audit in accordance with 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.

Compliance

As part of obtaining reasonable assurance about whether St. Landry Public Charter School'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 instances of noncompliance that are required to be reported under *Government Auditing Standards*. The instances of noncompliance are described below:

1. GENERAL LEDGER TRANSACTIONS

Condition: The general ledger transactions of the St. Landry Public Charter School for the year ended June 30, 1999 were not coded consistently and correctly; also, expenses were not coded into functional categories.

Criteria: The financial management system should provide an accurate and complete disclosure of the financial results of the Charter School.

Effect: Irregularities could occur as a result of not having an accurate accounting system.

Recommendation: In order to reduce the risk of errors and/or irregularities and to present the financial statements in the proper format, the accounting system should record all general ledger transactions consistently and correctly.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Landry Public Charter School'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over financial reporting that, in our judgement, could adversely affect St. Landry Public Charter School's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. These reportable conditions include:

1. GENERAL LEDGER TRANSACTIONS

Condition: The general ledger transactions of the St. Landry Public Charter School for the year ended June 30, 1999 were not coded consistently and correctly; also, expenses were not coded into functional categories.

Criteria: The financial management system should provide an accurate and complete disclosure of the financial results of the Charter School.

Effect: Irregularities could occur as a result of not having an accurate accounting system.

Recommendation: In order to reduce the risk of errors and/or irregularities and to present the financial statements in the proper format, the accounting system should record all general ledger transactions consistently and correctly.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

This report is intended for the information and use of the Board of Directors management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "August Ball of Asheville". The signature is written in a cursive style with a horizontal line at the end.

Certified Public Accountants
June 1, 2000