

**D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

**Financial Report
For the Year Ended June 30, 2010**

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 5/18/11

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, Louisiana

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Farmerville, Louisiana

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
Esther Atteberry, CPA
Sandra Harrington, CPA
Lori Woodard, MBA, CPA

INDEPENDENT AUDITORS' REPORT

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

We have audited the accompanying statement of financial position of the D'Arbonne Woods Charter School, Inc. (the School) as of June 30, 2010, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 School as of June 30, 2010, and the changes in its net assets and its 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 March 31, 2011, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Luffey, Huffman, Ragsdale & Soignier

(A Professional Accounting Corporation)
March 31, 2011

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Statement of Financial Position

June 30, 2010

Assets

Current assets

Cash	\$	477,979
Accounts receivable		4,336
Grants receivable		286,819
Total current assets		<u>769,134</u>

Property, plant, & equipment

Equipment		141,279
Accumulated depreciation		<u>(30,276)</u>
Net property, plant, & equipment		<u>111,003</u>

Total assets	\$	<u><u>880,137</u></u>
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Liabilities and net assets

Liabilities

Accounts payable	\$	14,829
Payroll liabilities		180,102
Line of credit payable		70,000
Total liabilities		<u>264,931</u>

Net assets

Unrestricted net assets		385,206
Temporarily restricted net assets		<u>230,000</u>
Total net assets		<u>615,206</u>

Total liabilities and net assets	\$	<u><u>880,137</u></u>
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See accompanying notes to the basic financial statements.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Statement of Activities

For the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Support and revenue			
State public school funding	\$ 1,716,240	\$ -	\$ 1,716,240
Federal sources	355,720	-	355,720
State sources	4,684	-	4,684
Grants	-	250,000	250,000
Donations	39,210	-	39,210
Other income	30,805	-	30,805
Meal income	17,762	-	17,762
Interest income	399	-	399
Total	<u>2,164,820</u>	<u>250,000</u>	<u>2,414,820</u>
Net assets released from restrictions	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
Total support and revenue	2,184,820	230,000	2,414,820
Expenses			
Program expenses			
Regular programs	911,203	-	911,203
School administration	221,891	-	221,891
Food service	123,211	-	123,211
Operation and maintenance of plant	125,095	-	125,095
Special education programs	84,974	-	84,974
Pupil transportation	39,166	-	39,166
Pupil support	9,272	-	9,272
Other instructional programs	244	-	244
Instructional staff services	140	-	140
Depreciation	25,289	-	25,289
Management and general			
Facilities acquisition	133,125	-	133,125
Business services	60,490	-	60,490
General administration	28,958	-	28,958
Total expenses	<u>1,763,058</u>	<u>-</u>	<u>1,763,058</u>
Increase in net assets	421,762	230,000	651,762
Net assets (deficit) at beginning of year	<u>(36,556)</u>	<u>-</u>	<u>(36,556)</u>
Net assets at end of year	<u>\$ 385,206</u>	<u>\$ 230,000</u>	<u>\$ 615,206</u>

See accompanying notes to the basic financial statements.

D'ARBONNE WOODS CHARTER SCHOOL, INC.

Farmerville, Louisiana

Statement of Cash Flows

For the Year Ended June 30, 2010

Cash flows from operating activities

Increase in net assets	\$	651,762
Adjustment to reconcile operating loss to net cash provided by operating activities		
Depreciation		25,289
Changes in assets and liabilities		
Accounts receivable		23,342
Grants receivable		(286,819)
Accounts payable		12,116
Payroll liabilities		179,403
Net cash provided (used) by operating activities		<u>605,093</u>

Cash flows from capital and related financing activities

Purchase of equipment		(119,701)
Payments of short-term debt		<u>(12,000)</u>
Net cash provided (used) by capital and related financing activities		<u>(131,701)</u>

Net increase in cash 473,392

Cash at beginning of year 4,587

Cash at end of year \$ 477,979

Supplemental disclosure of cash flow information

Interest paid \$ 6,355

See accompanying notes to the basic financial statements.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, Louisiana

Notes to the Financial Statements

June 30, 2010

1. Summary of Significant Accounting Policies

The D'Arbonne Woods Charter School, Inc. (the School) was granted a Type 2 charter by the Louisiana Board of Elementary or Secondary Education (BESE) to provide educational services in Union Parish to students beginning with the 2009-2010 school year. The curriculum is designed to meet the unique needs of rural, at-risk students. The School serves eligible students in kindergarten through sixth grade and plans to expand to more grades in future years. The School is governed by a board of directors.

A. Financial Reporting

The School follows the guidance of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. 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 the Not-for-Profit Entities Topic of the FASB ASC 958, 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.

B. 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 the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

C. Revenues

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded through the State Public School Fund. The School receives funding per eligible student in attendance on October 1st, payable in monthly installments. The October 1st student count is audited by the Louisiana Department of Education. Adjustments are normally made in the following year.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, Louisiana

Notes to the Financial Statements

June 30, 2010

As this was the first year of school, an adjustment was made during the current year. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

D. Fixed Assets and Depreciation

The School has adopted the practice of capitalizing all expenditures for depreciable assets where the unit cost exceeds \$500 and the useful life exceeds one year. 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.

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. The following are the estimated useful lives of the fixed assets of the School:

<u>Asset</u>	<u>Useful Life (in years)</u>
Buildings	30
Portable School Building	5
Furniture and Equipment	5-7
Computer Equipment	3
Buses	5-10
Software	5

E. Sick Leave

The School grants all employees of the School a total of ten days of paid sick leave per year. Sick leave may be accumulated from year to year, not to exceed 90 days. Upon retirement and/or death prior to retirement, the School will pay to the employee and/or his/her estate for any unused sick leave not to exceed 25 days.

F. Income Taxes

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization. However, income from certain activities not directly

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, Louisiana

Notes to the Financial Statements

June 30, 2010

related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

G. 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.

H. 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.

I. Concentrations

The School received 71% of its revenues in the year ended June 30, 2010, from the State of Louisiana, subject to its charter school contract with the State.

2. Cash

The School's cash (bank balance) at June 30, 2010, was \$546,327 of which \$500,000 was covered by Federal Deposit Insurance Corporation (FDIC) and the remainder was insured by a Public Use Funds program.

3. Grants and Other Receivables

The grants and other receivables are stated at the amount the School expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. The School believes that all receivables are collectible.

4. Fixed Assets

Depreciation expense totaled \$25,289 for the year ended June 30, 2010. All assets acquired with Louisiana Department of Education funds are owned by the School while used for the purpose for which they were purchased. The Louisiana 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.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, Louisiana

Notes to the Financial Statements

June 30, 2010

5. Accrued Liabilities

As of June 30, 2010, the School has recorded accrued liabilities of \$194,931. Of this amount, \$14,829 is for accounts payable and \$180,102 is for accrued salaries and benefits.

6. Retirement Plan

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description: The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit are 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 TRSL Issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

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 15.5% of annual eligible covered payroll. Member contributions and employer contributions for the TRSL 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 year ended June 30, 2010 was \$126,412, which is equal to the required contribution. The School's first year to contribute to the plan was the year ended June 30, 2010.

7. Line of Credit

The School has a line of credit with a local bank in the amount of \$150,000, of which \$70,000 was outstanding. The line of credit matures on May 1, 2011 and the School pays interest at 3.85% per annum.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, Louisiana

Notes to the Financial Statements

June 30, 2010

8. Uncertain Income Taxes

On July 1, 2009, the School adopted the provisions of FASB ASC 740 Accounting for Uncertainty in Income Taxes. The implementation of this topic had no impact on the statement of financial position or statement of activities.

The School's 2007 and 2008 tax returns were filed appropriately. As of March 31, 2011 the School had not filed their 2009 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2007 and 2008. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

9. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2011, and determined that two events occurred that require disclosure.

In December 2010, the School was approved for a \$5.1 million Qualified School Construction Bond loan at one percent interest to begin construction on a 38,000 square foot facility. The bond is provided by the American Recovery and Reinvestment Act through the Louisiana Department of Education.

In January 2011, the School approved to purchase 20 acres at a cost of \$2,500 per acre with the option of purchasing the twenty additional acres at a later date from Plum Creek.

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

**Board of Directors
D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana**

We have audited the financial statements of **D'Arbonne Woods Charter School, Inc.** (the School) as of and for the year ended June 30, 2010, and have issued our report thereon dated March 31, 2011. 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 the 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 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 paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompany Schedule of Findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings listed as 10-01 through 10-04, 10-07 and 10-08 to be material weaknesses.

D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, 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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 10-03 through 10-06 and 10-09.

The School's response to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the School's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the School, others within the entity, federal awarding agencies and pass-through entities, and other entities granting funds to the School and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Luffay, Huffman, Rozelle, & Siggins

(A Professional Accounting Corporation)

March 31, 2011

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

10-01 General Ledger Accounting

Finding

Internal control is a process designed to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Our audit discovered significant deficiencies in the design and implementation of internal control.

A sound system of internal control requires review and reconciliation of all accounts to ensure proper recording of all transactions. Regular review of all general ledger accounts and associated transactions by an individual fluent in the accounting processes and procedures had not been completed during the audit year. There was no evidence that any bank reconciliations had been completed during the audit year. In the case of one bank account, no checks written from the account during the audit year were recorded in the general ledger until after year end. Entries totaling more than \$14,000 had to be made to reconcile the cash accounts.

A sound system of internal control further requires a clear audit trail such that all transactions can be traced from the general ledger back to the source of the transaction. We noted multiple instances of staff being unable to locate supporting documentation. There was no clear audit trail to trace deposits in the operating account to their source. A change in software was made during the audit year including a complete redesign of account numbers. Because of this, there is limited traceability of funds between the two software systems with balances in the old system being difficult, and sometimes impossible, to locate in the new system. Only limited documentation was available to review the expenses being reimbursed with various grants and, thus, we were unable to confirm the validity of the expenses being reimbursed. Further, journal entries were not clearly documented as to the purpose, date, person making the entry, or approval of the entry.

Policies and procedures failed to design and implement adequate controls over cash and purchasing. We noted a lack of separation of duties, no approval to pay on invoices, invoices not defaced after payment, multiple items with missing supporting documentation, no signed receipt of goods, no purchase order system, and items not paid in a timely manner.

Weaknesses in personnel files were also noted. The Board approved to hire teachers but there was no list naming the teachers they approved. The teachers signed contracts but the contracts were merely job descriptions and did not define salary or other benefits. Employment Eligibility Verification forms (I-9's) were on file but not completed.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

Recommendation

We recommend that internal control design and implementation be conducted by an individual possessing the level of education and skill required to understand a complex fund accounting system and that internal controls be approved by the Board of Directors. We suggest accounting personnel review and reconcile accounts and such reconciliations be completed at least monthly. Proper support for all transactions and journal entries should be approved by appropriate supervisory personnel, fully documented, and filed in an organized manner in order to provide a complete audit trail. Policies and procedures should be implemented regarding all facets of the accounting process including recognizing revenues, purchasing procedures, and personnel records.

Management's Response

Policies and procedures have been implemented regarding all facets of the accounting process including recognizing revenues, purchasing procedures, and personnel records. They will be approved and placed in effect at our next regular scheduled Board Meeting. If a regular Board Meeting is not scheduled, a special meeting will be called to ensure that the new policies and procedures are implemented as soon as possible.

The General Business Manager will implement a Cash Receipts process that will ensure a clear tracking system of all monies received. A Class Room Receipt Record Form will be board approved and implemented. The process will call for a triplicated pre-numbered receipt book that will be issued to each teacher by the secretary. The secretary will supply the General Business Manager with a list of the disbursed receipt book assignments. Teachers will receipt monies from the students daily. They will turn monies in to the lunch clerk who will receipt the teacher, make the deposit, and give the General Business Manager a copy of the teachers receipt and a copy of the Class Room Receipt Record form. The General Business Manager will record the deposits into the general ledger accounting system. This will ensure a proper matching of cash receipts to deposits on the bank statement, to the general ledger.

The General Business Manager will implement a Purchase Order Request form for all teachers and staff to use to make purchases. The purchaser will request a quote from the potential vendor, and submit the necessary paperwork for approval from the Executive Director. Once approval is given by the Executive Director, the General Business Manager will issue a chronological numbered purchase order and place the order. Once the order is received, the purchaser will compare the packing slip to the purchase request, and initial that the order has been received. The purchaser will give the General Business Manager the packing slip, which will be placed with the purchase order request, purchase order, invoice, and payment record. This will ensure a proper policy and procedure for purchases.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

The General Business Manager has processed new I-9 forms from all employees, and will make sure that all personnel files going forward are accurate and complete. The School will also engage a qualified CPA as a support mechanism for the school outside of the parameters of the CPA's used for audit purposes.

This was our first year as a new governing board. With the opening of the School, we moved from a founding board to a governing board. We are in the learning and development stages of our structure. We will continue to develop, implement and monitor our Board professional development program in such a way to support and utilize best practices in all areas of Board and School operation.

During our first year of operation, the books of the School were switched mid-year from a QuickBooks application to our overall accounting and student information system from Blackbaud. This transition created additional work and frustration for all involved. The conversion is complete as of this date, with the exception of payroll which is still on QuickBooks. At this time, all School and student information is managed in the Blackbaud program. The Executive Director, the General Business Manager and additional support staff personnel will be undergoing additional future training in this program's successful management and utilization.

10-02 Board Approved Pay

Finding

The Board of Directors failed to approve the teacher's pay scale and employee merit pay scale. As a result, we were unable to determine whether the pay that teachers received was appropriate for their education and experience levels. It was also not possible to verify that the merit pay employees received, including teachers, was correct.

We did note that merit pay distributed exceeded maximum amounts provided for in personnel policies. These policies stipulate that for the 2009-2010 year of operation, merit pay would not exceed \$4,000 for the Executive Director, \$1,000 individually for teachers, and \$500 individually for staff personnel. Seventy-six percent of employees (16 of 21) received merit pay in excess of that allowed in the personnel policies by \$39,185. The Executive Director received \$8,955 in merit pay of which \$4,000 was allowed and \$4,955 was unallowed under the policies. Teachers received merit pay totaling \$44,330 of which \$12,000 was allowed and \$32,330 was unallowed. Staff received merit pay totaling \$5,900 of which \$4,000 was allowed and \$1,900 was not allowed in accordance with personnel policies.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

Recommendation

We recommend that the Board of Directors approve all pay scales, including merit pay, and that all pay is in compliance with School policies and State law.

Management's Response

The Board of Directors of D'Arbonne Woods Charter School going forward will approve all pay scales, including merit pay in compliance with current School policies and applicable State law. The Board has hired a General Business Manager, who meets the state's education, knowledge and experience requirements for classification as a charter school General Business Manager. The School will also engage a qualified CPA as a support mechanism for the school outside of the parameters of the CPA's used for audit purposes.

This was our first year as a new governing board. With the opening of the School, we moved from a founding board to a governing board. We are in the learning and development stages of our structure. We will continue to develop, implement and monitor our Board professional development program in such a way to support and utilize best practices in all areas of Board and School operation.

10-03 Retroactive Pay

Finding

The Louisiana Attorney General Opinion No. 07-0050 states in part that employees are not entitled to retroactive pay unless the compensation that the employees received each year during that period was below the minimum salary schedule set forth in Louisiana Revised Statute (LA R.S.) 17:419 et seq. In addition, the Louisiana Attorney General's office has consistently opined that the payment of retroactive pay is a violation of the Article VII, Section 14 of the Louisiana Constitution of 1974. This article states that "Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private."

Included in the Executive Director pay for the audit year was a check noted as merit pay in the amount of \$7,291.69. However, it was determined that this was a retroactive salary increase. This is supported by an email sent September 22, 2009 from the Board Vice-President to the Executive Director stating that the Board of Directors decided and voted to increase the yearly salary of the Executive Director to \$80,000. A subsequent email noted that the pay increase was retroactive as of May 1, 2009. As noted in the first paragraph, such retroactive pay is in violation of Article VII Section 14 of the Louisiana Constitution of 1972.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

In a review of the minutes from the September 21, 2009 Board of Directors meeting, there is no mention of any personnel issues, including pay increases. As a result, the only documentation that the increase was approved by the Board was the email from the Board Vice-President.

Recommendation

We recommend that the Board of Directors approve all pay scales, pay raises, and merit pay, and that all such approvals be noted in the minutes of the Board of Director meetings. We further recommend that the Board not approve any retroactive pay increases.

Management's Response

The Board of Directors of D'Arbonne Woods Charter School going forward will approve all pay scales, pay raises, and merit pay, and all such approvals will be duly noted in the minutes of the Board of Director meetings. The Board will also not approve any pay, regular or merit, retroactively outside of a fiscal year as in accordance with State law and Louisiana General Acceptable Accounting Practices. The Board has hired a General Business Manager, who meets the state's education, knowledge and experience requirements for classification as a charter school General Business Manager. The School will also engage a qualified CPA as a support mechanism for the school outside of the parameters of the CPA's used for audit purposes.

This was our first year as a new governing board. With the opening of the School, we moved from a founding board to a governing board. We are in the learning and development stages of our structure. We will continue to develop, implement and monitor our Board professional development program in such a way to support and utilize best practices in all areas of Board and School operation.

10-04 Personal Use of School Cellular Phone

Finding

The School violated Article VII, Section 14 of the Louisiana Constitution of 1974 when the Executive Director provided a cellular phone maintained with School funds to her son for his personal use. Around \$260 of School funds was spent during the audit year on this phone and approximately \$380 of School funds was expended subsequent to the audit year for this purpose.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

Recommendation

We recommend the Executive Director reimburse the School the full amount of these expenses. Additionally, the Board of Directors and management should review Article VII, Section 14 of the Louisiana Constitution of 1974 to ensure that no future funds are loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Management's Response

The Board of Directors of D'Arbonne Woods Charter School received prior to findings the total reimbursement from the Executive Director of the school in the amount of \$640.06. The Board will review Article VII, Section 14 of the Louisiana Constitution of 1974 with Board legal counsel to ensure that no future funds are loaned, pledged, or donated to or for any person, association, or corporation, public or private.

This occurrence was due to an internal oversight, and not an intentional act. When the transfer of cell service was enacted for the Executive Director's phone, the bill was set up to be paid automatically each month as a deduction from the checking account and no statement or check was reviewed for signing each month. The amount was automatically deducted from the school funds. Policies and procedures have been implemented regarding all facets of the accounting process including recognizing revenues, purchasing procedures, and personnel records. They will be approved and placed in effect at our next regular scheduled Board Meeting. If a regular Board Meeting is not scheduled, a special meeting will be called to ensure that the new policies and procedures are implemented as soon as possible.

This was our first year as a new governing board. With the opening of the School, we moved from a founding board to a governing board. We are in the learning and development stages of our structure. We will continue to develop, implement and monitor our Board professional development program in such a way to support and utilize best practices in all areas of Board and School operation.

10-05 Open Meetings Law

Finding

LA R.S. 17:3996 provides that Charter Schools will be subject to Louisiana open meetings laws (LA RS 42:4.1 et seq.). The Open Meetings Law allows executive sessions to be held only in limited situations, the reason for the executive session must be given and no final or binding actions can be taken during an executive session. Minutes from Board meetings held during and subsequent to the audit year indicate that personnel issues were discussed in executive session outside the allowances of LA RS 42:4.1 et seq. in four of the meetings, executive session was

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

held with no reason given in two of the meetings and in seven meetings litigation issues were discussed in executive session without clarification that discussion in open meeting would be detrimental to the School.

Recommendation

We recommend review and compliance with LA RS 42:4.1 et seq. including using executive sessions only for allowed items and clearly documenting the purpose of executive sessions when held.

Management's Response

The Board of Directors of D'Arbonne Woods Charter School will review and comply fully with LA R.S. 42:4.1 et seq. including but not limited to, using executive session only for allowed items and clearly documenting the purpose of executive session on agendas and meeting minutes when held.

This was our first year as a new governing board. With the opening of the School, we moved from a founding board to a governing board. We are in the learning and development stages of our structure. We will continue to develop, implement and monitor our Board professional development program in such a way to support and utilize best practices in all areas of Board and School operation.

10-06 Nepotism

Finding

LA R.S. 42:1119 provides that no member of the immediate family of an agency head shall be employed in his agency. A total of \$2,350 was paid during July and August 2010 to the Executive Director's son for work performed at the School which is in violation of the referenced statute.

Recommendation

We recommend the Board of Directors and management review LA R.S. 42:1119 and not approve employing immediate family members of the Executive Director or any Board Member unless this individual is a certified teacher.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

Management's Response

The Board of Directors of D'Arbonne Woods Charter School will review LA R.S. 42:1119 and not approve employment of any immediate family members of the agency head or Board member unless this individual is a certified teacher.

In this instance, the Executive Director's son was employed on a temporary basis under the direction of the licensed contractor who was engaged to oversee the building of the temporary location for the school in a vacant Wal-mart building. We were under very tight time restraints in the opening of the new location in a timely manner, in conjunction with a limited amount of volunteer help in the actual renovations and clean up of the new temporary location. In hind sight, the counsel of the Board's attorney should have been sought on the hiring in question.

The Board of Directors of D'Arbonne Woods Charter School, Inc. received prior to findings the total reimbursement from the Executive Director of the school in the amount of \$2,350.00.

New policies and procedures that are in line with best practices provided by the Louisiana Legislative Auditor website, the National Charter School Association website and publications, and the Louisiana Department of Education website have been implemented regarding all facets of the hiring process for all certified and non-certified employees. They will be approved and placed in effect at a regularly scheduled Board Meeting prior to the end of the 2010-2011 school year for implementation effective for the 2011-2012 school year.

This was our first year as a new governing board. With the opening of the School, we moved from a founding board to a governing board. We are in the learning and development stages of our structure. We will continue to develop, implement and monitor our Board professional development program in such a way to support and utilize best practices in all areas of Board and School operation.

10-07 Policies and Procedures

Finding

Comprehensive School policies and procedures are necessary for continuity and success of the School. The policies and procedures currently in place are repetitive in some areas and incomplete or nonexistent in other areas. Policies and procedures are not noted as to whether Board approved, date of such approval nor date of implementation. In addition, the by-laws to the Articles of Incorporation are not being followed in that they stipulate that all board members will serve a term no longer than three years before re-election is required. In reviewing the minutes of meetings from January 1, 2008 through February 28, 2011, we did not see the

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

election of any board members except for the replacement of individuals that had withdrawn from the Board.

Recommendation

We recommend a thorough review of all policies and procedures to ensure all items are clearly covered, including organization and indexing of policies and procedures. The Board should approve all policies and procedures prior to implementation. We suggest that a master copy of all approved policies be kept on file and denote dates of approval and implementation. We further recommend that the articles of incorporation and by-laws be reviewed and strictly adhered to.

Management's Response

The Board of Directors of D'Arbonne Woods Charter School will complete a thorough review of all policies and procedures using a Board level committee post haste to ensure that all items are clearly covered, including organization and indexing of policies and procedures. The Board shall duly approve all policies prior to implementation according to all applicable statutes and laws, and the by-laws of our Board. A master copy of all approved pieces will be kept on file and available to the public at any time. Such master copy will also denote dates of approval and implementation. Additionally, the Board will review and appropriately revise the governing by-laws by said Board level committee, and will strictly adhere to them. The Board has hired a General Business Manager, who meets the state's education, knowledge and experience requirements for classification as a charter school General Business Manager.

This was our first year as a new governing board. With the opening of the School, we moved from a founding board to a governing board. We are in the learning and development stages of our structure. We will continue to develop, implement and monitor our Board professional development program in such a way to support and utilize best practices in all areas of Board and School operation.

10-08 Debit Card and Travel Policies

Finding

A sound system of internal control requires comprehensive policies and procedures with regard to travel and credit/debit cards. In the course of our audit we found no such policies and procedures. In addition, control over the debit card and documentation supporting travel was minimal, unorganized and lacking proper approvals. The School possesses one debit card which is controlled by the Executive Director with use by her and various School personnel on an as

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

needed basis without a formal purchase approval procedure. There is no organized travel log procedure to notate trips and all of the various expenses associated with each trip or a procedure to document proper approval for the travel.

Recommendation

We recommend that the Board of Directors approve and implement comprehensive policies and procedures with regard to travel and credit/debit cards. We suggest use of a travel log to document and organize all travel expenses and implementation of a document approving travel such that all travel is properly authorized. We also suggest tight controls over debit card use including requirements that purchases be authorized and that receipts be reconciled with bank statements.

Management's Response

The Board of Directors of D'Arbonne Woods Charter School going forward will approve and implement comprehensive policies and procedures based on best practices approved by the Louisiana State Auditor's office and appropriate statute in regard to travel and credit/debit cards. The use of a travel log in order to document and organize all travel expenses and travel authorization is already in place. Additionally, such policies are being developed to maintain tight controls over any future debit/credit card use including but not limited to authorization of purchases and reconciliation of receipts with monthly bank statements. The Board has hired a General Business Manager, who meets the state's education, knowledge and experience requirements for classification as a charter school General Business Manager. The School will also engage a qualified CPA as a support mechanism for the school outside of the parameters of the CPA's used for audit purposes.

This was our first year as a new governing board. With the opening of the School, we moved from a founding board to a governing board. We are in the learning and development stages of our structure. We will continue to develop, implement and monitor our Board professional development program in such a way to support and utilize best practices in all areas of Board and School operation.

10-09 Financial Statements Not Filed Timely

Finding

LA R.S. 24:513 requires that the School prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year. The financial statements were not in a condition to be audited within the time frame prescribed by law for several reasons especially taking into account that this was the first year of

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, LA

Schedule of Findings
For the Year Ended June 30, 2010

School operations. These reasons include difficulties the School encountered converting their accounting software systems in the middle of the audit year. The individual responsible for the accounting functions during the audit year was unavailable due to no longer being employed by the School.

Recommendation

We recommend that the School maintain its books and records whereby the financial statements will be ready for audit so that the audit is completed and submitted to the Legislative Auditor within the prescribed time period.

Management's Response

The Board of Directors of D'Arbonne Woods Charter School going forward will maintain its books and records in such a way that financial statements will be ready, appropriate and accurate. Additionally, such audit will be completed and submitted to the Legislative Auditor within the prescribed time period. The Board has hired a General Business Manager, who meets the state's education, knowledge and experience requirements for classification as a charter school General Business Manager. The School will also engage a qualified CPA as a support mechanism for the school outside of the parameters of the CPA's used for audit purposes.

This was our first year as a new governing board. With the opening of the School, we moved from a founding board to a governing board. We are in the learning and development stages of our structure. We will continue to develop, implement and monitor our Board professional development program in such a way to support and utilize best practices in all areas of Board and School operation.

AGREED-UPON PROCEDURES

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Phillip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
Esther Atteberry, CPA
Sandra Harrington, CPA
Lori Woodard, MBA, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED JUNE 30, 2010

D'Arbonne Woods Charter School, Inc. Farmerville, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of D'Arbonne Woods Charter School, Inc. (the School) and the Legislative Auditor, State of Louisiana (collectively, the Specified Users), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of D'Arbonne Woods 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). 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 required by state law 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.

D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana

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 1st.
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 1st and as reported on the schedule. We traced all 12 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule 3)

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

Experience of Public Principals 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 1st 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.

Public School 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 all 12 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

No Board approved salary schedule was available and thus we were unable to determine if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

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

Class Size Characteristics (Schedule 6)

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

D'Arbonne Woods Charter School, Inc.
Farmerville, Louisiana

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 School. As this exam is given to students in the 4th and 8th grades and the School only offered grades kindergarten through 6th grade during the audit year, only 4th grade results were reviewed.

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 School. As this exam is given to students in the 10th and 11th grades and the School only offered grades kindergarten through 6th grade during the audit year, no results were reviewed.

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 the School. As this exam is given to students in the 3rd, 5th, 6th, 7th and 9th grades and the School only offered grades kindergarten through 6th grade during the audit year, only 3rd, 5th and 6th grade results were reviewed.

Eleven of the twelve procedures enumerated above did not disclose any exceptions. However, see procedure number 7.

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 Specified Users, the Louisiana Department of Education and the Louisiana Legislature 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.

Luffey, Huffman, Reynolds, & Siggins

(A Professional Accounting Corporation)

March 31, 2011

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2010

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 principal's 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, Assistant 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: Average Salaries

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. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2010

Schedule 8 - Graduation Exit Examination (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 -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 National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Farmerville, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Fiscal Year Ended June 30, 2010

General Fund Instructional and Equipment Expenditures**General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 509,075
Other Instructional Staff Activities	74,075
Employee Benefits	183,750
Purchased Professional and Technical Services	31,273
Instructional Materials and Supplies	163,554
Instructional Equipment	17,434

Total Teacher and Student Interaction Activities	\$ 979,161
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Other Instructional Activities

	11,497
--	--------

Pupil Support Activities

	7,636
--	-------

Less: Equipment for Pupil Support Activities	-
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Net Pupil Support Activities	7,636
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Instructional Staff Services

	2,476
--	-------

Less: Equipment for Instructional Staff Services	-
--	---

Net Instructional Staff Services	2,476
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Total General Fund Instructional Expenditures	\$ 1,000,770
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Total General Fund Equipment Expenditures

	\$ 23,390
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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	-
Total State Revenue in Lieu of Taxes	\$ -

Nonpublic Transportation Revenue	\$ -
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Nonpublic Textbook Revenue	\$ -
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D'ARBONNE WOODS CHARTER SCHOOL, INC.
 Education Levels of Public School Staff
 As of October 1, 2009

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								
Bachelor's Degree	4	33%	-	-	-	-	-	-
Master's Degree	5	42%	-	-	1	100%	-	-
Master's Degree + 30	2	17%	-	-	-	-	-	-
Specialist in Education	1	8%	-	-	-	-	-	-
Ph. D. or Ed. D.								
Total	12	100%	-	-	1	100%	-	-

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Number and Type of Public Schools
Fiscal Year Ended June 30, 2010

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

D'ARBONNE WOODS CHARTER SCHOOL, INC.
 Experience of Public Principals and Full-time
 Classroom Teachers
 As of October 1, 2009

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11-14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	-	-	-	-
Principals	-	-	-	-	1	-	-	1
Classroom Teachers	3	1	3	4	0	1	-	12
Total	3	1	3	4	1	1	-	13

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Public School Staff Data
As of June 30, 2010

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$42,423	\$38,874
Average Classroom Teachers' Salary Excluding Extra Compensation	\$40,541	\$37,076
Number of Teacher Full Time Equivalent (FTEs) used in Computation of Average Salaries	12	1

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 federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
Class Size Characteristics
As of October 1, 2009

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	64%	7	36%	4	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-

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

D'ARBONNE WOODS CHARTER SCHOOL, INC.
 Louisiana Educational Assessment Program (LEAP) for the 21st Century
 For the Fiscal Year Ended June 30, 2010

District Achievement Level Results	English Language Arts 2010		Mathematics 2010		Science 2010		Social Studies 2010	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 4								
Advanced	1	3%	-	-	-	-	-	-
Mastery	2	5%	7	19%	5	14%	-	-
Basic	18	49%	13	35%	14	38%	22	59%
Approaching Basic	12	32%	9	24%	14	38%	8	22%
Unsatisfactory	4	11%	8	22%	4	11%	7	19%
Total	37	100%	37	100%	37	100%	37	100%

D'ARBONNE WOODS CHARTER SCHOOL, INC.
The Graduation Exit Exam (GEE) for the 21st Century
For the Fiscal Year Ended June 30, 2010

D'Arbonne Woods Charter School did not offer classes to grades that take the GEE. This exam is given to students in the 10th and 11th grades and the D'Arbonne Woods Charter School only offered grades kindergarten through 6th grade during the audit year.

D'ARBONNE WOODS CHARTER SCHOOL, INC.
iLEAP Tests

For the Fiscal Year Ended June 30, 2010

iLEAP Tests - 2010	District Achievement Level Results						English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3														
Advanced	-	-	-	5%	-	-	-	2%	-	-	-	-	-	-
Mastery	-	-	2	29%	12	29%	18	44%	1	2%	2	5%	13	33%
Basic	12	29%	16	39%	14	34%	12	29%	12	29%	17	43%	17	43%
Approaching Basic	16	39%	13	32%	13	32%	10	24%	10	24%	8	20%	8	20%
Unsatisfactory	13	32%												
Total	41	100%	41	100%	41	100%	41	100%	41	100%	40	100%	40	100%

iLEAP Tests - 2010	District Achievement Level Results						English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5														
Advanced	1	4%	2	8%	2	8%	-	-	-	-	-	-	-	-
Mastery	6	24%	7	28%	7	28%	5	20%	5	20%	4	16%	4	16%
Basic	9	36%	6	24%	6	24%	13	52%	13	52%	15	60%	15	60%
Approaching Basic	5	20%	5	20%	5	20%	3	12%	3	12%	2	8%	2	8%
Unsatisfactory	4	16%	5	20%	5	20%	4	16%	4	16%	4	16%	4	16%
Total	25	100%	25	100%	25	100%	25	100%	25	100%	25	100%	25	100%

iLEAP Tests - 2010	District Achievement Level Results						English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6														
Advanced	2	10%	2	10%	2	10%	1	5%	1	5%	2	10%	2	10%
Mastery	4	20%	4	20%	4	20%	5	25%	5	25%	2	10%	2	10%
Basic	10	50%	8	40%	8	40%	8	40%	8	40%	10	50%	10	50%
Approaching Basic	2	10%	2	10%	2	10%	4	20%	4	20%	5	25%	5	25%
Unsatisfactory	2	10%	4	20%	4	20%	2	10%	2	10%	1	5%	1	5%
Total	20	100%	20	100%	20	100%	20	100%	20	100%	20	100%	20	100%