

**COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING**  
Baton Rouge, Louisiana

**FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2006 and 2005

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

Release Date 2-28-07

**THOMAS, WILSON, RAGUSA, UFFMAN & CO.**

**CERTIFIED PUBLIC ACCOUNTANTS**  
**BATON ROUGE, LOUISIANA**

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**THOMAS, WILSON, RAGUSA, UFFMAN & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Community School for Apprenticeship Learning  
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of The Community School for Apprenticeship Learning (a nonprofit organization) as of June 30, 2006 and 2005, and the related statements of activities, cash flows and functional expenses for the years 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 audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Community School for Apprenticeship Learning as of June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 7 to the financial statements, the School's charter is contingent upon the School meeting test score standards set by the East Baton Rouge Parish School Board. If at anytime the School does not meet the test score standards, the East Baton Rouge Parish School Board has the power to revoke the charter and that raises substantial doubt about the School's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2006 on our consideration of The Community School for Apprenticeship Learning's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Thomas, Wilson, Ragusa, Uffman & Co CPA*

Certified Public Accountants  
September 26, 2006

Community School For Apprenticeship Learning  
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION  
(See Notes to Financial Statements)

ASSETS

	June 30,	
	2006	2005
<b>CURRENT ASSETS:</b>		
Cash - Unrestricted	\$ 17,159	\$ 20,720
Accounts Receivable-MFP	55,743	48,746
Accounts Receivable-TANF Grants	25,694	31,767
Employee Receivable	4,620	2,166
Prepaid Insurance	8,789	4,579
<b>TOTAL CURRENT ASSETS</b>	<b>112,005</b>	<b>107,978</b>
<b>PROPERTY AND EQUIPMENT:</b>		
Furniture and Fixtures	26,485	17,042
Equipment	58,958	52,163
Landscaping	1,870	1,870
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>87,313</b>	<b>71,075</b>
Less Accumulated Depreciation	64,491	58,924
<b>NET PROPERTY AND EQUIPMENT</b>	<b>22,822</b>	<b>12,151</b>
<b>TOTAL ASSETS</b>	<b>\$ 134,827</b>	<b>\$ 120,129</b>

LIABILITIES AND NET ASSETS

	June 30,	
	<u>2006</u>	<u>2005</u>
<b>CURRENT LIABILITIES:</b>		
Cash Overdraft	\$ 783	\$ 3,665
Accounts Payable	3,374	26,038
Accrued Payroll Taxes	3,287	4,247
Credit Card Payable	1,432	-
Accrued Insurance	<u>4,555</u>	<u>1,554</u>
<b>TOTAL LIABILITIES (ALL CURRENT)</b>	13,431	35,504
<b>NET ASSETS:</b>		
Unrestricted	<u>121,396</u>	<u>84,625</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 134,827</u>	<u>\$ 120,129</u>

Community School For Apprenticeship Learning  
Baton Rouge, Louisiana

STATEMENTS OF OPERATIONS  
(See Notes to Financial Statements)

CHANGES IN UNRESTRICTED NET ASSETS	Years Ended June 30,	
	2006	2005
<b>PUBLIC SUPPORT REVENUES AND OTHER SUPPORT:</b>		
East Baton Rouge Parish School Board Support - MFP	\$ 1,074,110	\$ 877,408
Department of Education - TANF Grants	126,383	171,274
East Baton Rouge Parish School Board Support - Food Allocation	13,047	52,145
East Baton Rouge Parish School Board Support - Miscellaneous	7,058	4,122
Student Services - Fees and Miscellaneous	949	2,234
Donations - Unrestricted	-	3,576
Fundraising Revenue	-	2,477
Miscellaneous	34,759	37,990
<b>TOTAL PUBLIC SUPPORT REVENUES AND OTHER SUPPORT</b>	1,256,306	1,151,226
<b>EXPENDITURES:</b>		
Program Expenses	737,761	761,802
Administrative Expenses	481,774	428,608
<b>TOTAL EXPENDITURES</b>	1,219,535	1,190,410
<b>INCREASE(DECREASE) IN UNRESTRICTED NET ASSETS</b>	36,771	(39,184)
<b>UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR</b>	84,625	123,809
<b>UNRESTRICTED NET ASSETS AT END OF YEAR</b>	\$ 121,396	\$ 84,625

Community School For Apprenticeship Learning  
Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS  
(See Notes to Financial Statements)

	Years Ended December 31,	
	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Students for Student Services	\$ 949	\$ 2,234
Cash Received from East Baton Rouge School Board	1,087,218	934,821
Cash Received from Department of Education	132,456	167,806
Cash Received from Donation	-	3,576
Cash Received from Fund Raising	-	2,477
Cash Received from Other Sources	34,759	37,990
Cash Paid to Employees	(557,249)	(602,756)
Cash Paid for Expenses	(682,574)	(555,385)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>15,559</b>	<b>(9,237)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for Equipment	(6,795)	(2,214)
Payments for Furniture and Fixtures	(9,443)	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(16,238)</b>	<b>(2,214)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in Cash Overdraft	(2,882)	3,163
<b>NET DECREASE IN CASH</b>	<b>(3,561)</b>	<b>(8,288)</b>
<b>BEGINNING CASH BALANCE</b>	<b>20,720</b>	<b>29,008</b>
<b>ENDING CASH BALANCE</b>	<b>\$ 17,159</b>	<b>\$ 20,720</b>

Community School For Apprenticeship Learning  
Baton Rouge, LA

Statements of Functional Expenses  
(See Notes to Financial Statements)

EXPENSES:	For the Years Ended June 30,			2005
	2006		Total	
	Administrative Expenses	Program Expenses		
Salaries	\$ 169,318	\$ 387,931	\$ 557,249	\$ 602,756
Contract Labor	-	-	-	16,332
Payroll Taxes	10,354	4,519	14,873	16,608
Employee Benefit Other	324	142	466	3,603
Advertising and Promotional	551	-	551	991
Materials, Supplies, Books, & Periodicals	16,362	37,486	53,848	49,976
Depreciation	5,567	-	5,567	5,411
Dues and Subscriptions	8,112	-	8,112	4,944
Equipment Rental	2,647	6,064	8,711	11,011
Food Service	-	79,181	79,181	71,863
Health Insurance	17,728	40,617	58,345	37,500
Insurance	22,567	-	22,567	18,501
Janitorial	2,897	-	2,897	2,434
Legal and Professional	22,810	-	22,810	17,045
Miscellaneous	-	10,670	10,670	18,749
Printint and Binding	-	-	-	5,141
Postage and Telephone	3,123	7,154	10,277	3,767
Technical and Professional Services	-	19,443	19,443	7,099
Rent	18,535	42,465	61,000	61,000
Repairs and Maintenance	1,659	-	1,659	7,098
Retirement	25,449	58,306	83,755	73,155
Transportation	-	43,783	43,783	55,176
Travel	27,612	-	27,612	22,942
EBR Parish School Board - Indirect Costs	126,159	-	126,159	77,308
<b>TOTAL EXPENSES</b>	<b>\$ 481,774</b>	<b>\$ 737,761</b>	<b>\$ 1,219,535</b>	<b>\$ 1,190,410</b>



THE COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING  
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-1-  
June 30, 2006 and 2005

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization** – The School is an independent public middle school with a charter to operate in East Baton Rouge Parish expiring July 31, 2007. The School has an enrollment of 130 students and teaches using an apprenticeship interdisciplinary curriculum for children who have difficulties learning in a traditional school model.

The School is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**Support** – The School receives the majority of its support from the East Baton Rouge Parish School Board. The East Baton Rouge Parish School Board pays the School a monthly fee based on the enrollment.

The School also applies for various grants from the private and public sector. The grants are for specific items and are nonrecurring.

**Concentration of Support** – The School received approximately 85% of its annual revenue from the East Baton Rouge Parish School Board.

**Contributions** – Contributions received are allocated as restricted or unrestricted based on the donors' stipulations.

**Donated Services** – No amounts have been reflected in the financial statements for donated services. The School generally pays for services requiring specific expertise. However, some Board Members volunteer their time and perform a variety of tasks that assist the Organization with administrative programs.

**Program** – The sole program of the School is an instructional program.

**Functional Expenses** – The costs of providing various program and administrative services have been reported on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the various program and administrative services based on estimates made by management.

**Cash and Cash Equivalents** – Cash includes all unrestricted cash in banks.

**Property and Equipment** – Purchased property and equipment is capitalized at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the assets.

**Accounts Receivable** – Bad debts are charged to operations in the year in which the account is determined uncollectible. If the reserve method of accounting for uncollectible accounts were used, it would not have a material effect on the financial statements. No amounts for an allowance for bad debts have been established as the School expects to collect the balance in full.

**Use of Estimates** – Management used estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**Advertising** – The School expenses advertising costs as they are incurred.

**NOTE 2: ACCOUNTS RECEIVABLE**

Accounts receivable MFP at June 30, 2006 and 2005 represent the amounts due from the East Baton Rouge Parish School Board net of monthly expenses paid directly to the School Board through deduction from total support. This amount was received within 60 days after year-end.

THE COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING  
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-2-  
June 30, 2006 and 2005

NOTE 2: ACCOUNTS RECEIVABLE (CONTINUED)

Accounts receivable -- TANF Grants at June 30, 2006 and 2005 represent the amounts due from the Louisiana Department of Education. This amount was received within 60 days after year-end.

NOTE 3: OPERATING LEASE

The School leases its facilities from the East Baton Rouge Parish School Board on a year-to-year basis. During the year ended June 30, 2006, monthly rent of \$5,083 was deducted from the monthly support. Total rent paid during the years ended June 30, 2006 and 2005 was \$61,000. Estimated annual rental obligation for the year ending June 30, 2007 is \$61,000.

The School leases office equipment on a monthly basis. The rental fee is determined by the number of copies produced each month. The average monthly rental cost for the years ended June 30, 2006 and 2005 was \$726 and \$918, respectively. Total equipment rental for the years ended June 30, 2006 and 2005 was \$8,711 and \$11,011, respectively.

NOTE 4: RETIREMENT PLAN

School employees are covered by the East Baton Rouge Parish Teacher's Retirement Plan. Employees are required to defer 8% of their salary into the plan. The School contributed an additional 15.9% and 15.5% into the plan for the years ended June 30, 2006 and 2005, respectively. During the years ended June 30, 2006 and 2005 the School contributed \$83,755 and \$73,155, respectively, to the plan.

Individuals employed for the TANF after school programs are not eligible to be participate in the Teachers Retirement Plan but are covered by the social security system.

NOTE 5: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Reconciliation of net income to net cash provided by operating activities:

	<u>2006</u>	<u>2005</u>
Increase (Decrease) in Net Assets	\$ 36,771	\$ (39,184)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	5,567	5,411
(Increase) Decrease in Accounts Receivable -- MFP	(6,997)	1,146
Decrease (Increase) in Accounts Receivable -- TANF Grants	6,073	(3,468)
Increase in Employee Receivable	(2,454)	(1,515)
Increase in Prepaid Expenses	(4,210)	(119)
(Decrease) Increase in Accounts Payable	(22,664)	25,176
(Decrease) Increase in Payroll Taxes Payable	(960)	3,549
Increase (Decrease) in Accrued Insurance	3,001	(233)
Increase in Credit Card Payable	<u>1,432</u>	<u>0</u>
 NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 15,559</u>	 <u>\$ (9,237)</u>

THE COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING  
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-3-  
June 30, 2006 and 2005

NOTE 5: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION (CONTINUED)

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, cash includes all unrestricted cash accounts held at financial institutions and cash on hand.

NOTE 6: GOING CONCERN

A provision of the new charter requires that the School meet yearly test score standards set in place by the School Board. If the test score standards are not met the School Board has the ability to revoke the Charter before the 2007 expiration date. The School Board provided 85% and 76% of the School's funding for the 2006 and 2005 fiscal year, respectively.

NOTE 7: PRIOR PERIOD ADJUSTMENT

During the current year management voided prior year outstanding checks in the amount of \$5,327. As a result current assets were increased by \$5,327, net assets were increased by \$5,327, and prior year expenses were decreased by \$5,327.

**THOMAS, WILSON, RAGUSA, UFFMAN & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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

We have audited the financial statements of The Community School for Apprenticeship Learning as of and for the years ended June 30, 2006 and 2005, and have issued our report thereon dated September 26, 2006. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the information of the board of directors and management, 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.

*Thomas, Wilson, Ragusa, Uffman & Co CPA*

Certified Public Accountants  
September 26, 2006

THE COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING  
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of The Community School for Apprenticeship Learning.
2. No reportable conditions relating to the audits of the financial statements are reported in The Community School for Apprenticeship Learning's report on compliance and on internal control over financial reporting based on an audit of financial statements in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of The Community School for Apprenticeship Learning were disclosed during the audits.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None