

FIRSTLINE SCHOOLS, INC.
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
FirstLine Schools, Inc.

We have audited the accompanying statement of financial position of **FirstLine Schools, Inc. (FirstLine)** (a not-for-profit corporation) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of **FirstLine'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 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 of **FirstLine** referred to above present fairly, in all material respects, the financial position of **FirstLine** as of June 30, 2012, 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.


INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
FirstLine Schools, Inc.

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In accordance with the *Government Auditing Standards*, we have also issued our report dated December 13, 2012 on our consideration of **FirstLine's** internal control over financial reporting and 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Also, the accompanying combining schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.


BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 13, 2012

FIRSTLINE SCHOOLS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

Cash and cash equivalents	\$ 1,102,488
Cash - restricted	78,851
Grants receivable (NOTE 8)	1,668,686
Pledges receivable	95,000
Other receivables	151,575
Prepaid expenses	123,825
Other assets	45,277
Property and equipment, net (NOTE 2)	<u>1,197,621</u>

TOTAL ASSETS \$ 4,463,323

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 598,041
Accrued liabilities	730,943
Funds held on behalf of others	<u>78,851</u>

TOTAL LIABILITIES 1,407,835

Net Assets:

Unrestricted	2,401,625
Temporarily restricted (NOTE 7)	<u>653,863</u>

TOTAL NET ASSETS 3,055,488

**TOTAL LIABILITIES AND
NET ASSETS** \$ 4,463,323

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

FIRSTLINE SCHOOLS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Local sources:			
Minimum Foundation Program	\$ 7,304,944	\$ -	\$ 7,304,944
Contributions (NOTE 7)	1,067,326	411,848	1,479,174
Interest earnings	2,423	-	2,423
Charges for food services	159,063	-	159,063
Fundraising activities	105,186	-	105,186
Management fee	422,328	-	422,328
Other	230,092	-	230,092
Total local sources	<u>9,291,362</u>	<u>411,848</u>	<u>9,703,210</u>
State sources:			
Minimum Foundation Program	7,772,106	-	7,772,106
Total state sources	<u>7,772,106</u>	<u>-</u>	<u>7,772,106</u>
Federal grants	5,614,043	-	5,614,043
Net assets released from restrictions (NOTE 7)	707,380	(707,380)	-
Total revenues	<u>23,384,891</u>	<u>(295,532)</u>	<u>23,089,359</u>
EXPENSES			
Program Services:			
Instruction programs	11,081,000	-	11,081,000
Edible School Yard	356,620	-	356,620
Support Services:			
Pupil support services	1,271,003	-	1,271,003
Instructional staff services	447,481	-	447,481
School administration	2,289,414	-	2,289,414
Business services	2,578,796	-	2,578,796
Operations and maintenance	1,605,092	-	1,605,092
Student transportation services	1,608,948	-	1,608,948
Central services	316,954	-	316,954
Food services operations	1,114,466	-	1,114,466
Depreciation	249,267	-	249,267
Fundraising activities	7,899	-	7,899
Total expenses	<u>22,926,940</u>	<u>-</u>	<u>22,926,940</u>
CHANGES IN NET ASSETS	457,951	(295,532)	162,419
NET ASSETS - JULY 1, 2011	<u>1,943,674</u>	<u>949,395</u>	<u>2,893,069</u>
NET ASSETS - JUNE 30, 2012	<u>\$ 2,401,625</u>	<u>\$ 653,863</u>	<u>\$ 3,055,488</u>

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

FIRSTLINE SCHOOLS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ 162,419
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation expense	249,267
Changes in Assets and Liabilities:	
Increase in prepaid expense	(21,990)
Decrease in grants receivables	85,779
Increase in pledges receivable	(75,000)
Decrease in other receivables	135,841
Decrease in bank overdraft	(7,328)
Decrease in accounts payable	(252,634)
Increase in accrued liabilities	501,860
Decrease in loan payable	(225,000)
Increase in funds held on behalf of others	22,946
Net cash provided by operating activities	576,160

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(432,866)
Net cash used in investing activities	(432,866)
Increase in cash and cash equivalents	143,294
Cash and cash equivalents, beginning of year	1,038,045
Cash and cash equivalents, end of year	\$ 1,181,339

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

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY
OF SIGNIFICANT ACCOUNTING POLICIES:

General

FirstLine Schools, Inc. (FirstLine) is a nonprofit organization formed in 1998 to serve as the chartering group for Arthur Ashe Charter School (Arthur Ashe) formerly known as New Orleans Charter Middle School (NOCMS). **FirstLine** has also been granted charters by the Louisiana Board of Elementary and Secondary Education (BESE) to operate Samuel J. Green Charter School (Green) beginning in the 2005-2006 school year, John Dibert Charter School (Dibert) beginning in the 2010-2011 school year, and Joseph S. Clark Charter School (Clark) beginning in the 2011-2012 school year. The board of directors consists of individuals with experience in business and education that have an interest in public education.

The mission of **FirstLine** is to create and inspire great open admissions public schools in New Orleans. **FirstLine's** schools will prepare students for college and fulfilling careers by achieving the following primary objectives:

College Readiness: ensuring all of our students are on track to be academically prepared for success in a college preparatory high school and college as demonstrated by achievement, aspiration, love of learning, and confidence;

Providing a rich variety of experiences for our students to nurture character, health, and active citizenship; and

Developing the skillfulness of our staff and building sustainable organizations that facilitate our long-term success.

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

General, Continued

In the 2011-2012 school year, Green, Arthur Ashe, Dibert and Clark served the following number of students:

Green	515
Arthur Ashe	421
Dibert	425
Clark	<u>385</u>
	<u>1,746</u>

Basis of Accounting

FirstLine's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

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 effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment of **FirstLine** with a cost of \$5,000 or more are recorded as assets (capitalized) and are stated at historical costs, if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY
OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Property and Equipment, Continued

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

Grant Revenue

Revenues from governmental grants are recognized when allowable expenses are made by **FirstLine**. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

Grants Receivable

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

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash equivalents include all highly liquid instruments purchased with original maturities of three (3) months or less.

Income Taxes

FirstLine is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

FirstLine files as a tax-exempt organization. Should that status be challenged in the future, **FirstLine's** 2009, 2010 and 2011 tax years are open for examination by the IRS.

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY
OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Financial Statement Presentation

For the year ended June 30, 2012, **FirstLine** followed the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Section 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*, in the presentation of its financial statements. Under FASB ASC Section 958-205, **FirstLine** is required to report, as applicable, information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets. In addition, **FirstLine** is required to present a statement of cash flows.

A description of the three net asset categories is as follows:

- o Unrestricted net assets include support, revenues, and expenses for the general operation of **FirstLine**.
- o Temporarily restricted net assets include contributions for which donor-imposed restrictions have not been met.
- o Permanently restricted net assets are contributions which are required by donor-imposed restriction to be held in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.

At June 30, 2012, **FirstLine** had no permanently restricted net assets.

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY
OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Contributions

The Foundation accounts for contributions in accordance with FASB ASC Section 958-605, *Not-for-Profit Entities, Revenue Recognition*, in accounting for contributions received and contributions made. In accordance with FASB ASC Section 958-605, contributions are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and nature of any donor imposed restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Minimum Foundation Program (MFP)

As Type 5 charter schools, Arthur Ashe, Samuel J. Green, John Dibert, and Joseph S. Clark received funding from BESE in an amount for pupils based on estimated daily attendance of pupils at the schools. The amount of funding received is adjusted during the school year based on the October 1st and February 1st student counts and the results of any audits performed.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and support services in the accompanying statement of activities.

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY
OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Vacation Leave

Vacation for full-time staff is accrued on a monthly basis. Staff receives two (2) weeks annual vacation for the first five (5) years of employment. After five (5) years, staff receives three (3) weeks of vacation. After eleven (11) years, staff receives four (4) weeks of vacation. Vacation days do not accrue.

Paid Leave

Employees earn ten (10) days paid leave per year to be used in the event of their own illness, a family illness, bereavement, or personal business. Such paid leave may be used for the purpose of visiting doctors, dentist or other recognized practitioners. Employees may also use paid leave for the above reasons when it relates to immediate family members only. Paid leave cannot be carried from one year to the next, and **FirstLine** will not pay the employee for unused leave upon termination.

NOTE 2 - PROPERTY AND EQUIPMENT:

The following is a summary of property and equipment at June 30, 2012:

Land	\$ 372,200
Building improvements	1,393,187
Equipment	<u>655,447</u>
Total property and equipment	2,420,834
Less: accumulated depreciation	<u>(1,223,213)</u>
Net property and equipment	<u>\$1,197,621</u>

For the year ended June 30, 2012, depreciation expense was \$249,267.

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - RISK MANAGEMENT:

FirstLine is exposed to various risks of loss related to torts, theft of, damage to and destruction of property for which **FirstLine** carries commercial liability insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 4 - CONCENTRATION OF CREDIT RISK:

FirstLine maintains a noninterest bearing and interest bearing accounts at local banks. The Federal Deposit Insurance Corporation (FDIC) provides unlimited deposit insurance coverage on noninterest bearing transaction accounts, beginning December 31, 2010 through December 31, 2012. Interest bearing deposit accounts are insured by the FDIC for deposit amounts up to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. At June 30, 2012, **FirstLine's** deposits were fully insured.

NOTE 5 - CONTINGENCY:

FirstLine is a recipient of grants from local, state and federal funding agencies. The grants are governed by various local, state and federal guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants are under the control and administration of **FirstLine** and are subject to audit and/or review by grantors. Any grant funds found to be not properly spent in accordance with the terms, conditions, and regulations of local, state and federal agencies may be subject to recapture.

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - IN-KIND CONTRIBUTIONS:

FirstLine received rent-free use of school buildings from the Louisiana Recovery School District and rent-free use of furniture and equipment for Arthur Ashe, Samuel J. Green, John Dibert and Joseph S. Clark Charter Schools.

FirstLine also receives donated services from a number of unpaid volunteers assisting **FirstLine** with its programs, activities, and operations. An estimated value of these services cannot be reasonably determined as a result of the variety of services provided by and the varying qualifications of the volunteers. Because the criteria for recognition under FASB ASC Section 958-605-25 conditions for recognition has not been satisfied, these donated services are not recorded in the financial statements.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS:

At June 30, 2012, temporarily restricted net assets in the amount of \$653,863 were available for the Edible School Yard Program and Ashe's Edible School Yard Program in the amounts of \$578,863 and \$75,000, respectively.

For the year ended June 30, 2012, net assets were released from donor restrictions by incurring Edible School Yard Program expenses amounting to \$707,380.

NOTE 8 - GRANTS RECEIVABLES:

At June 30, 2012, grants receivable consisted of the following:

U.S. Department to Education	\$1,281,258
U.S. Department of Agriculture	190,860
U.S. Department of Homeland Security	95,582
State of Louisiana, Department of Education	986
Private source	<u>100,000</u>
	<u>\$1,668,686</u>

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - SUBSEQUENT EVENTS:

FirstLine is required to evaluate events or transactions that may occur after the Statement of Financial Position date for potential recognition or disclosure in the financial statements. **FirstLine** performed such an evaluation through December 13, 2012, the date which the financial statements were available to be issued.

On July 14, 2011, the Teachers' Retirement System of Louisiana (TRSL) wrote to **FirstLine** that it assessed **FirstLine** approximately \$600,000, plus interest, for unpaid contributions. This assessment was triggered by TRSL's belief that **FirstLine** had elected participation for Dibert Charter School employees in TRSL, as supported in the Dibert Charter School contract, dated May 17, 2010.

FirstLine asserts in discussions with TRSL it complies with the Social Security withholding requirements for all of its employees, sponsors a 403(b) qualified retirement plan and has not enrolled any employees in TRSL. TRSL and BESE has agreed to work with **FirstLine** to achieve resolution of the TRSL assessment. **FirstLine** and TRSL have prepared documents that, if approved by the court with jurisdiction over the issue, will amend the Dibert Charter School Charter agreement, retroactively, to eliminate any question regarding whether **FirstLine** elected participation in TRSL. Such a resolution would result in complete elimination of the contribution assessment **FirstLine** allegedly owes TRSL.

As of December 13, 2012, **FirstLine** has filed a petition for declaration judgment seeking retroactive amendment of the Dibert charter agreement in the District Court for the Parish of East Baton Rouge. Once **FirstLine** receives responses from TRSL and BESE, **FirstLine** will file a motion for judgment on the petition.

FIRSTLINE SCHOOLS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - BOARD COMPENSATION:

The Board of Directors of **FirstLine** is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 2012.

NOTE 11 - CONCENTRATION OF REVENUE SOURCE:

FirstLine's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund. **FirstLine** receives a State allocation and a local allocation per eligible student in attendance at the official pupil count date of October 1, each year. MFP revenue accounts for 65% of **FirstLine's** total support for the year ended June 30, 2012.

SUPPLEMENTARY INFORMATION

FIRSTLINE SCHOOLS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE I

Federal Grantor/Program Name	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Education</u>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<i><u>Passed-Through: LA State Department of Education</u></i>		
IASA Title I, Part A	84.010	\$ 1,484,761
IASA Title I, Part A, School Improvement	84.010	2,692
IASA Title II, Part A	84.367	81,255
IDEA, Part B	84.027	579,516
Public Charter Schools Program	84.282	389,475
Hurricane Katrina Foreign Contributions	84.940	152,312
Hurricane Educator Assistance Program	84.938	16,606
Education Jobs Fund	84.410	9,213
School Improvement Grants (Section 1003(g) of the ESSEA)	84.377	536,441
School Improvement Grants, Recovery Act	84.388	673,377
Total LA State Department of Education		3,925,648
 <i><u>Passed-Through: New Schools for New Orleans</u></i>		
Investing in Innovation (i3) Fund	84.411	498,654
Total New Schools for New Orleans		498,654
Total U.S. Department of Education		4,424,302
 <u>U.S. Department of Agriculture</u>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<i><u>Passed-Through: LA State Department of Education</u></i>		
National School Lunch Program	10.555	1,094,158
Total U.S. Department of Agriculture		1,094,158
 <u>U.S. Department of Homeland Security</u>		
<i><u>Awards from a Pass-Through Entity</u></i>		
<i><u>Passed-Through: Governor's Office of Homeland Security and Emergency Preparedness</u></i>		
FEMA Disaster Relief	97.036	95,583
U.S. Department of Homeland Security		95,583
Total Expenditures of Federal Awards		\$ 5,614,043

NOTE: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of FirstLine under programs of the federal government for the year ended June 30, 2012 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

See independent auditors' report on supplementary information.

FIRSTLINE SCHOOLS, INC.
COMBINING SCHEDULE OF FINANCIAL POSITION
 June 30, 2012

SCHEDULE II

	Edible School Yard	FirstLine Network Activity	Arthur Ashe Charter School	Samuel J. Green Charter School	John Dibert Charter School	Joseph S. Clark Charter School	Eliminations	Total
ASSETS								
Cash and cash equivalents	\$ 525,708	\$ 14,092	\$ 344,954	\$ -	\$ 64,232	\$ 153,502	\$ -	\$ 1,102,488
Cash - restricted	-	47,637	5,552	7,501	7,122	11,039	-	78,851
Grants receivable	-	143,459	365,074	458,462	390,963	310,728	-	1,668,686
Pledges receivable	20,000	-	-	-	-	75,000	-	95,000
Other receivables	-	151,575	-	-	-	-	-	151,575
Due from other programs	-	307,813	454,477	49,771	-	-	(812,061)	-
Prepaid expenses	-	29,563	47,089	34,837	1,736	10,600	-	123,825
Other assets	100	-	11,473	24,060	9,644	-	-	45,277
Property and equipment, net	211,072	21,413	603,766	239,882	30,068	91,420	-	1,197,621
TOTAL ASSETS	\$ 756,880	\$ 715,552	\$ 1,832,385	\$ 814,513	\$ 503,765	\$ 652,289	\$ (812,061)	\$ 4,463,323
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable	\$ 6,547	\$ 52,961	\$ 213,421	\$ 175,812	\$ 90,017	\$ 59,283	\$ -	\$ 598,041
Accrued liabilities	2,456	142,748	119,197	163,162	154,762	148,618	-	730,943
Funds held on behalf of others	-	47,637	5,552	7,501	7,122	11,039	-	78,851
Due to other programs	1,474	504,037	-	-	5,950	300,600	(812,061)	-
TOTAL LIABILITIES	10,477	747,383	338,170	346,475	257,851	519,540	(812,061)	1,407,835
Net Assets:								
Unrestricted	167,540	(31,831)	1,419,215	468,038	245,914	132,749	-	2,401,625
Temporarily restricted	578,863	-	75,000	-	-	-	-	653,863
TOTAL NET ASSETS	746,403	(31,831)	1,494,215	468,038	245,914	132,749	-	3,055,488
TOTAL LIABILITIES AND NET ASSETS								
NET ASSETS	\$ 756,880	\$ 715,552	\$ 1,832,385	\$ 814,513	\$ 503,765	\$ 652,289	\$ (812,061)	\$ 4,463,323

See Independent Auditors' Report on Supplementary Information.

SCHEDULE III

FIRSTLINE SCHOOLS, INC.
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	Edible School Yard	FirstLine Network Activity	Arthur Ashe Charter School	Samuel J. Green Charter School	John Dibert Charter School	Joseph S. Clark Charter School	Eliminations	Total
REVENUES								
Local sources:								
Minimum Foundation Program	\$ -	\$ -	\$ 1,744,371	\$ 2,127,432	\$ 1,742,311	\$ 1,690,830	\$ -	\$ 7,304,944
Administrative fee revenue	-	1,526,250	-	-	-	-	(1,526,250)	-
Grants	-	-	-	-	-	-	-	-
Contributions-unrestricted	-	572,498	32,872	32,236	7,425	422,295	-	1,067,326
Contributions-temporarily restricted	336,848	-	75,000	-	-	-	-	411,848
Interest earnings	464	-	1,330	629	-	-	-	2,423
Charges for food services	-	120,233	8,243	20,607	7,536	2,444	-	159,063
Fundraising activities	105,186	-	-	-	-	-	-	105,186
Management fee	1,129	422,328	19,462	23,695	-	-	-	422,328
Other	443,627	29,461	1,881,278	2,204,599	1,803,713	109,904	-	230,092
Total local sources	443,627	2,670,770	1,881,278	2,204,599	1,803,713	2,225,473	(1,526,250)	9,703,210
State sources:								
Minimum Foundation Program	-	-	2,067,375	2,201,452	1,694,202	1,809,077	-	7,772,106
Total state sources	-	-	2,067,375	2,201,452	1,694,202	1,809,077	-	7,772,106
Federal grants	-	333,863	1,101,063	1,410,147	1,495,411	1,273,559	-	5,614,043
Total revenues	443,627	3,004,633	5,049,716	5,816,198	4,993,326	5,308,109	(1,526,250)	23,089,359
EXPENSES								
Program Services:								
Instruction programs	-	743	2,547,586	3,119,717	2,668,734	2,744,220	-	11,081,000
Edible School Yard	356,620	-	-	-	-	-	-	356,620
Support Services:								
Pupil support services	-	17,498	336,395	267,039	254,969	395,102	-	1,271,003
Instructional staff services	240,140	207,341	-	-	-	-	-	447,481
School administration	-	-	439,232	409,492	431,471	1,009,219	-	2,289,414
Business services	347	2,336,624	44,960	83,152	79,792	33,921	-	2,578,796
Operations and maintenance	813	87,103	335,383	396,868	305,228	479,697	-	1,605,092
Student transportation services	-	-	476,501	371,722	419,444	341,281	-	1,608,948
Central services	-	341,960	508,890	483,918	393,340	115,096	(1,526,250)	316,954
Food services operations	-	8,619	280,468	370,187	323,457	131,735	-	1,114,466
Depreciation	109,460	10,063	29,941	52,758	22,174	24,871	-	249,267
Fundraising activities	2,654	-	-	-	-	5,245	-	7,899
Total expenses	710,034	3,009,951	4,999,356	5,554,853	4,898,609	5,280,387	(1,526,250)	22,926,940
CHANGES IN NET ASSETS	(266,407)	(5,318)	50,360	261,345	94,717	27,722	-	162,419
NET ASSETS (DEFICIT) - JULY 1, 2011	1,012,810	(26,513)	1,443,855	206,693	151,197	105,027	-	2,893,069
NET ASSETS (DEFICIT) - JUNE 30, 2012	\$ 746,403	\$ (31,831)	\$ 1,494,215	\$ 468,038	\$ 245,914	\$ 132,749	\$ -	\$ 3,055,488

See Independent Auditors' Report on Supplementary Information.

FIRSTLINE SCHOOLS, INC.
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

SCHEDULE IV

	Edible School Yard	FirstLine Network Activity	Arthur Ashe Charter School	Samuel J. Green Charter School	John Dibert Charter School	Joseph S. Clark Charter School	Total
	\$ (266,407)	\$ (5,318)	\$ 50,360	\$ 261,345	\$ 94,717	\$ 27,722	\$ 162,419
	109,460	10,063	29,941	52,758	22,174	24,871	249,267
	2,218	(18,504)	(15,923)	5,043	10,251	(5,075)	(21,990)
	-	(82,359)	(27,031)	(150,181)	312,523	32,827	85,779
	-	-	-	-	-	(75,000)	(75,000)
	-	106,147	18,064	8,297	3,333	-	135,841
	-	(54,102)	420,926	478,737	62,871	-	908,432
	-	-	-	-	(7,328)	-	(7,328)
	4,959	(73,635)	(9,710)	(94,506)	(57,123)	(22,619)	(252,634)
	(5,230)	107,703	64,893	107,127	95,462	131,905	501,860
	-	(225,000)	-	-	-	-	(225,000)
	-	(8,268)	5,552	7,501	7,122	11,039	22,946
	1,474	86,479	(9,439)	(568,331)	(465,709)	47,094	(908,432)
	(153,526)	(156,794)	527,633	107,790	78,293	172,764	576,160

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:
Depreciation expense

Changes in Assets and Liabilities:

(Increase) decrease in prepaid expense
(Increase) decrease in grants receivables
Increase in pledges receivable
Decrease in other receivables
Decrease in due from other programs
Decrease in bank overdraft
Increase (decrease) in accounts payable
Increase (decrease) in accrued liabilities
Decrease in loan payable
(Decrease) increase in funds held on behalf of others
Increase (decrease) in due to other programs
Net cash provided by (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Transfer of equipment from/to other programs
Purchases of property and equipment
Net cash provided by (used in) investing activities
Increase (decrease) in cash and cash equivalents
Cash and cash equivalents, beginning of year
Cash and cash equivalents, end of year

See Independent Auditors' Report on Supplementary Information.



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

To the Board of Directors of
FirstLine Schools, Inc.

We have audited the financial statements of **FirstLine Schools, Inc. (FirstLine)**, (a not-for-profit corporation) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 13, 2012. 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

Management of **FirstLine** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered **FirstLine'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 **FirstLine's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **FirstLine's** internal control over financial reporting.

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

Internal Control Over Financial Reporting, Continued

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 FirstLine's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FirstLine'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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

This report is intended solely for the information and use of management, **FirstLine's** Board of Directors, the Louisiana Recovery School District, the Louisiana Legislative Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 13, 2012



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of
FirstLine Schools, Inc.

Compliance

We have audited the compliance of **FirstLine Schools, Inc. (FirstLine)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **FirstLine's** major federal programs for the year ended June 30, 2012. **FirstLine's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of **FirstLine's** management. Our responsibility is to express an opinion on **FirstLine's** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

(CONTINUED)

types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **FirstLine's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **FirstLine's** compliance with those requirements.

In our opinion, **FirstLine** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 12-01.

Internal Control Over Compliance

Management of **FirstLine** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **FirstLine's** internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **FirstLine's** internal control over compliance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

(CONTINUED)

Internal Control Over Compliance, Continued

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 12-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weaknesses in internal control over compliance, yet important enough to merit attention by those charged with governance.

FirstLine's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit **FirstLine's** response and, accordingly, we express no opinion on the response.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

(CONTINUED)

This report is intended solely for the information and use of management, **FirstLine's** Board of Directors, the Louisiana Recovery School District, the Louisiana Legislative Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 13, 2012

FIRSTLINE SCHOOLS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: **Unqualified Opinion.**
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None reported.** Material weaknesses: **No.**
- C. Noncompliance which is material to the financial statements: **No.**
- D. Significant deficiencies in internal control over major programs: **Yes** Material weaknesses: **No.**
- E. The type of report issued on compliance for major programs: **Unqualified.**
- F. Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: **Yes.**
- G. Major programs:
- United States Department of Education:
 - IASA Title I, Part A - CFDA No. 84.010
 - School Improvement Grants - CFDA No. 84.377
 - School Improvement Grants, Recovery Act - CFDA No. 84.388
 - IDEA Part A - CFDA No. 84.027
 - Public Charter Schools Program - CFDA No. 84.282
 - Investing in Innovation (i3) Fund - CFDA No. 84.411
 - United States Department of Agriculture:
 - National School Lunch Program - CFDA No. 10.555
- H. Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000.**
- I. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **No.**
- J. A management letter issued: **No.**

FIRSTLINE SCHOOLS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

**SECTION II - FINDINGS RELATED TO THE FINANCIAL
STATEMENT REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

No matters reported.

FIRSTLINE SCHOOLS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SECTION III - FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS

12-01 - Personnel Activity Reports

CFDA 84.027 - IDEA, Part B

Criteria

2 CFR Section 230 Appendix B 8.m.(1) states – “Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible official(s) of the organization. The distribution of salaries and wages to awards must be supported by personnel activity reports, as prescribed in subparagraph 8.m.(2) of this appendix, except when a substitute system has been approved in writing by the cognizant agency.”

Condition

Although **FirstLine** maintained adequate supporting documentation to support actual salary and wage payments, we noted during our single audit that **FirstLine** did not maintain personnel activity reports for a special education teacher for the period January 1, 2012 to March 31, 2012.

Questioned Costs

None.

Context

Total grant expenses for the year ended June 30, 2012 was \$579,516.

FIRSTLINE SCHOOLS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SECTION III - FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS, Continued

12-01 - Personnel Activity Reports, Continued
CFDA 84.027 - IDEA, Part B

Effect

As required by federal regulation, **FirstLine** has not properly supported the distribution of salaries charged to the IDEA, Part B grant for a special education teacher by not obtaining approved personnel activity reports.

Cause

FirstLine did not adhere to established procedures to comply with the above federal regulations.

Recommendation

We recommend that **FirstLine** adhere to established policies and procedures to support salaries and wages, as required in 2 CFR Section 230 Appendix B 8.m.

Management's Response and Planned Corrective Action

FirstLine has an existing policy that requires the organization to maintain personnel activity reports that comply with the federal regulations for all employees whose salaries are reimbursed by a federal grant. **FirstLine** will add an additional safeguard that will review all activity reports monthly before the federal reimbursements are requested.

FIRSTLINE SCHOOLS, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION I - INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS

No matters reported.

SECTION II - INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO FEDERAL AWARDS

11-01 - Verification of Free and Reduced Price Applications
CFDA 10.555 - National School Lunch Program

We recommended that the management of **FirstLine** take the necessary steps to ensure that procedures are designed and implemented for the compliance of verification requirements.

Current Status

Resolved.

11-02 - Highly Qualified Teacher Requirement
CFDA 84.010 - IASA Title I, Part A

We recommended that **FirstLine** improve its current procedures to ensure that only the salaries and related benefits of highly qualified teachers are claimed for Title I grant expense reimbursements.

Current Status

Resolved.

FIRSTLINE SCHOOLS, INC.
SCHEDULE OF PRIOR YEAR FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

SECTION III - MANAGEMENT LETTER

11-01 - Student Activity Accounts

We recommended that **FirstLine** immediately finalize adopting this written policy and procedures that will be effective for the 2012 fiscal year student activity transactions. As such, **FirstLine** will be in position to appropriately manage the receipts and disbursements of student activity funds and allow for the proper and accurate financial reporting of such transactions.

Current Status

Resolved.

FIRSTLINE SCHOOLS, INC.

EXIT CONFERENCE

The audit report was discussed during the course of the audit and at an exit conference held with the management of **FirstLine**. The individuals who participated in those discussions were as follows:

FIRSTLINE SCHOOLS, INC.

Mr. Joseph E. Neary	--	Chief Operating Officer
Mr. Brett G. Hunt	--	Director of Finance

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Larry Jones, CPA	--	Manager
Ms. Mary Green	--	Compliance Specialist

FIRSTLINE SCHOOLS, INC.
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2012

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INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
FirstLine Schools, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of **FirstLine Schools, Inc. (FirstLine)** and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of **FirstLine** 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). Management of **FirstLine** is responsible for its performance and statistical data. 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 on pages 2 to 5 either for the purpose for which this report has been requested or for any other purpose.

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 **FirstLine**, the Louisiana Department of Education, the Louisiana Recovery School District, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 13, 2012

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS

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

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

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

No differences noted.

Education Levels of Public School Staff (SCHEDULE 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers" (SCHEDULE 4) to the combined total number of full-time classroom teachers per this schedule and to **FirstLine's** supporting payroll records as of October 1, 2011.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

Education Levels of Public School Staff (SCHEDULE 2), Continued

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

No differences noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2011 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

No differences noted.

Number and Type of Public Schools (SCHEDULE 3)

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

No differences noted.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (SCHEDULE 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2011 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.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

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 a random sample of 25 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 differences noted.

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

No differences noted.

Class Size Characteristics (SCHEDULE 6)

9. We obtained a list of classes by school, school type and class size as reported on the schedule. We then traced a random sample of 10 classes to the October 1, 2011 roll books for those classes and determined if the class was properly classified on the schedule.

No differences noted.

**Louisiana Educational Assessment Program (LEAP) for
the 21st Century (SCHEDULE 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by **FirstLine**.

No differences noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

PROCEDURES AND FINDINGS, CONTINUED

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 **FirstLine**.

No differences noted.

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 **FirstLine**.

No differences noted.

FIRSTLINE SCHOOLS, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA)

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

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

SCHEDULE 2 - Education Levels of Public School Staff

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

SCHEDULE 3 - Number and Type of Public Schools

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

SCHEDULE 4 - Experience of Public Principals, 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).

FIRSTLINE SCHOOLS, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 5 - Public School Staff Data

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

SCHEDULE 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20; 21-26, 27-33, and 34+students. 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, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

SCHEDULE 8 - The Graduation Exit Exam (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, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

FIRSTLINE SCHOOLS, INC.
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 -
PERFORMANCE AND STATISTICAL DATA), CONTINUED

SCHEDULE 9 - The iLEAP Tests

This schedule represents student performance testing data and includes statewide and district summary scores for grades 3, 5, 6, 7 and 9 in each category tested for the 2010 reporting year and for grades 3, 5, 6 and 7 in each category tested for the 2011 and 2012 reporting years. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory.

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2012**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	5,976,682	
Other Instructional Staff Activities		1,518,273	
Employee Benefits		1,605,414	
Purchased Professional and Technical Services		777,628	
Instructional Materials and Supplies		807,415	
Instructional Equipment		171,490	
Total Teacher and Student Interaction Activities	\$		10,856,902

Other Instructional Activities 224,098

Pupil Support Activities 1,271,003
 Less: Equipment for Pupil Support Activities -
 Net Pupil Support Activities 1,271,003

Instructional Staff Services 447,481
 Less: Equipment for Instructional Staff Services -
 Net Instructional Staff Services 447,481

School Administration 2,289,414
 Less: Equipment for School Administration -
 Net School Administration 2,289,414

Total General Fund Instructional Expenditures \$ 15,088,898

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

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

Local Earnings on Investment in Real Property:

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

State Revenue in Lieu of Taxes:

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

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

See accompanying independent accountants' report on applying agreed-upon procedures.

Education Levels of Public School Staff
As of October 1, 2011

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	48	81%	32	63%	2	29%	1	33%
Master's Degree	9	15%	19	37%	4	57%	2	67%
Master's Degree +30	1	2%	0	0%	1	14%	0	0%
Specialist in Education	1	2%	0	0%	0	0%	0	0%
Ph.D. or Ed.D.	0	0%	0	0%	0	0%	0	0%
Total	59	100%	51	100%	7	100%	3	100%

See accompanying independent accountants' report on applying agreed-upon procedures.

**Number and Type of Public Schools
For the Year Ended June 30, 2012**

Type	Number
Elementary:	3
Middle/Jr. High	1
Secondary	0
Combination	0
Total	4

See accompanying independent accountants' report on applying agreed-upon procedures.

**Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2011**

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs	15 - 19 Yrs	20 - 24 Yrs	25+ yrs.	Total
Assistant Principals	0	0	2	2	0	0	0	4
Principals	0	0	2	1	3	0	0	6
Classroom Teachers	30	35	32	6	2	2	3	110
Total	30	35	36	9	5	2	3	120

See accompanying independent accountants' report on applying agreed-upon procedures.

**Public School Staff Data
For the Year Ended June 30, 2012**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Excluding Extra Compensation	46,045.64	45,897.36
Average Classroom Teachers' Salary Including Extra Compensation	48,661.72	48,543.60
Number of Teachers' Full-time Equivalents (FTEs) used in Computation of Average Salaries	123	121

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; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

See accompanying independent accountants' report on applying agreed-upon procedures.

Class Size Characteristics
As of October 1, 2011

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	21%	73	26%	90	37%	126	1%	5
Elementary Activity Classes	4%	13	4%	15	7%	22	0%	1
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High	65%	102	10%	16	16%	26	5%	9
High Activity Classes	3%	4	1%	1	0%	0	0%	0
Combination	35%	175	21%	106	30%	152	3%	14
Combination Activity Classes	3%	17	3%	16	5%	22	0%	1

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

See accompanying independent accountants' report on applying agreed-upon procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	9	6.1%	5	3.0%	0	0.0%	4	2.7%	4	2.4%	2	2.3%
Proficient	17	11.6%	16	9.7%	6	7.0%	30	20.3%	12	7.2%	10	11.6%
Basic	70	47.6%	69	41.8%	37	43.0%	61	41.2%	85	51.2%	38	44.2%
Approaching Basic	37	25.2%	52	31.5%	25	29.1%	39	26.4%	37	22.3%	22	25.6%
Unsatisfactory	14	9.5%	23	13.9%	18	20.9%	14	9.5%	28	16.9%	14	16.3%
Total	147	100.0%	165	100.0%	86	100.0%	148	100.0%	166	100.0%	86	100.0%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	6	4.1%	1	0.6%	0	0.0%	5	3.4%	1	0.6%	0	0.0%
Proficient	13	8.8%	9	5.4%	2	2.3%	12	8.1%	10	6.0%	2	2.3%
Basic	61	41.2%	64	38.6%	34	39.5%	71	48.0%	75	45.2%	30	34.9%
Approaching Basic	51	34.5%	65	39.2%	39	45.3%	39	26.4%	45	27.1%	42	48.8%
Unsatisfactory	17	11.5%	27	16.3%	11	12.8%	21	14.2%	35	21.1%	12	14.0%
Total	148	100.0%	166	100.0%	86	100.0%	148	100.0%	166	100.0%	86	100.0%

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	1.0%	2	1.9%	1	1.3%	1	1.0%	0	0.0%	1	1.2%
Proficient	16	16.2%	12	11.5%	5	6.3%	4	4.1%	3	2.9%	2	2.5%
Basic	50	50.5%	40	38.5%	37	46.3%	64	66.0%	54	51.9%	38	46.9%
Approaching Basic	24	24.2%	40	38.5%	32	40.0%	18	18.6%	25	24.0%	31	38.3%
Unsatisfactory	8	8.1%	10	9.6%	5	6.3%	10	10.3%	22	21.2%	9	11.1%
Total	99	100.0%	104	100.0%	80	100.0%	97	100.0%	104	100.0%	81	100.0%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	1.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Proficient	15	15.3%	7	6.7%	4	4.9%	5	5.1%	4	3.8%	3	3.7%
Basic	44	44.9%	28	26.7%	24	29.6%	43	43.9%	48	45.7%	32	39.5%
Approaching Basic	28	28.6%	43	41.0%	38	46.9%	35	35.7%	34	32.4%	27	33.3%
Unsatisfactory	10	10.2%	27	25.7%	15	18.5%	15	15.3%	19	18.1%	19	23.5%
Total	98	100.0%	105	100.0%	81	100.0%	98	100.0%	105	100.0%	81	100.0%

See accompanying independent accountants' report on applying agreed-upon procedures.

The Graduate Exit Exam for the 21st Century
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
Total												

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	0	0.0%					0	0.0%				
Mastery	2	6.3%					1	3.1%				
Basic	9	28.1%					17	53.1%				
Approaching Basic	10	31.3%					8	25.0%				
Unsatisfactory	11	34.4%					6	18.8%				
Total	32	100.0%					32	100.0%				

Note: Due to rounding, certain percentage totals may not equal 100%.

The *ILEAP* Tests
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	6	3.7%	11	6.7%	1	0.6%	0	0.0%
Mastery	25	15.3%	16	9.8%	22	13.5%	23	14.1%
Basic	72	44.2%	68	41.7%	64	39.3%	63	38.7%
Approaching Basic	40	24.5%	42	25.8%	56	34.4%	51	31.3%
Unsatisfactory	20	12.3%	26	16.0%	20	12.3%	26	16.0%
Total	163	100.0%	163	100.0%	163	100.0%	163	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	0.8%	3	2.3%	0	0.0%	0	0.0%
Mastery	10	7.8%	8	6.2%	2	1.6%	14	10.9%
Basic	56	43.8%	59	45.7%	45	35.2%	63	49.2%
Approaching Basic	37	28.9%	36	27.9%	51	39.8%	31	24.2%
Unsatisfactory	24	18.8%	23	17.8%	30	23.4%	20	15.6%
Total	128	100.0%	129	100.0%	128	100.0%	128	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0.9%	3	2.6%	2	1.7%	7	6.1%
Mastery	19	16.7%	9	7.9%	13	11.3%	7	6.1%
Basic	54	47.4%	60	52.6%	46	40.0%	63	54.8%
Approaching Basic	33	28.9%	26	22.8%	41	35.7%	28	24.3%
Unsatisfactory	7	6.1%	16	14.0%	13	11.3%	10	8.7%
Total	114	100.0%	114	100.0%	115	100.0%	115	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	1.8%	5	4.4%	1	0.9%	1	0.9%
Mastery	8	7.1%	9	8.0%	13	11.6%	8	7.1%
Basic	57	50.9%	66	58.4%	49	43.8%	53	47.3%
Approaching Basic	35	31.3%	19	16.8%	38	33.9%	39	34.8%
Unsatisfactory	10	8.9%	14	12.4%	11	9.8%	11	9.8%
Total	112	100.0%	113	100.0%	112	100.0%	112	100.0%

Note: Due to rounding, certain percentage totals may not equal 100%.

See accompanying independent accountants' report on applying agreed-upon procedures.

The *iLEAP* Tests
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	7	4.5%	2	1.3%	2	1.3%	1	0.6%
Mastery	20	12.8%	18	11.5%	15	9.6%	12	7.7%
Basic	47	30.1%	50	32.1%	43	27.6%	44	28.2%
Approaching Basic	38	24.4%	34	21.8%	61	39.1%	45	28.8%
Unsatisfactory	44	28.2%	52	33.3%	35	22.4%	54	34.6%
Total	156	100.0%	156	100.0%	156	100.0%	156	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	2	1.9%	2	1.9%	0	0.0%	2	1.9%
Mastery	11	10.3%	2	1.9%	6	5.6%	8	7.5%
Basic	41	38.3%	47	44.3%	34	31.8%	47	43.9%
Approaching Basic	22	20.6%	27	25.5%	47	43.9%	28	26.2%
Unsatisfactory	31	29.0%	28	26.4%	20	18.7%	22	20.6%
Total	107	100.0%	106	100.0%	107	100.0%	107	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0.8%	3	2.5%	0	0.0%	2	1.7%
Mastery	9	7.5%	5	4.1%	7	5.8%	5	4.2%
Basic	50	41.7%	53	43.8%	51	42.5%	48	40.0%
Approaching Basic	38	31.7%	25	20.7%	45	37.5%	33	27.5%
Unsatisfactory	22	18.3%	35	28.9%	17	14.2%	32	26.7%
Total	120	100.0%	121	100.0%	120	100.0%	120	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0.0%	2	2.0%	1	1.0%	0	0.0%
Mastery	5	5.0%	5	5.0%	10	9.9%	9	8.9%
Basic	52	51.5%	65	64.4%	41	40.6%	53	52.5%
Approaching Basic	38	37.6%	17	16.8%	40	39.6%	26	25.7%
Unsatisfactory	6	5.9%	12	11.9%	9	8.9%	13	12.9%
Total	101	100.0%	101	100.0%	101	100.0%	101	100.0%

Note: Due to rounding, certain percentage totals may not equal 100%.

See accompanying independent accountants' report on applying agreed-upon procedures.

The *iLEAP* Tests
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	5	7.4%	5	7.4%	0	0.0%	0	0.0%
Mastery	11	16.2%	8	11.8%	7	10.3%	11	16.2%
Basic	24	35.3%	29	42.6%	25	36.8%	20	29.4%
Approaching Basic	16	23.5%	16	23.5%	22	32.4%	24	35.3%
Unsatisfactory	12	17.6%	10	14.7%	14	20.6%	13	19.1%
Total	68	100.0%	68	100.0%	68	100.0%	68	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0.0%	1	1.4%	0	0.0%	1	1.4%
Mastery	5	7.2%	4	5.8%	4	5.8%	3	4.3%
Basic	23	33.3%	30	43.5%	14	20.3%	29	42.0%
Approaching Basic	26	37.7%	16	23.2%	42	60.9%	20	29.0%
Unsatisfactory	15	21.7%	18	26.1%	9	13.0%	16	23.2%
Total	69	100.0%	69	100.0%	69	100.0%	69	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0.0%	1	1.5%	0	0.0%	3	4.4%
Mastery	3	4.4%	4	5.9%	2	2.9%	0	0.0%
Basic	35	51.5%	36	52.9%	28	41.2%	21	30.9%
Approaching Basic	21	30.9%	18	26.5%	31	45.6%	26	38.2%
Unsatisfactory	9	13.2%	9	13.2%	7	10.3%	18	26.5%
Total	68	100.0%	68	100.0%	68	100.0%	68	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0.0%	0	0.0%	1	1.4%	0	0.0%
Mastery	3	4.2%	2	2.8%	3	4.2%	8	11.3%
Basic	28	39.4%	43	60.6%	21	29.6%	31	43.7%
Approaching Basic	26	36.6%	10	14.1%	29	40.8%	19	26.8%
Unsatisfactory	14	19.7%	16	22.5%	17	23.9%	13	18.3%
Total	71	100.0%	71	100.0%	71	100.0%	71	100.0%

Note: Due to rounding, certain percentage totals may not equal 100%.

See accompanying independent accountants' report on applying agreed-upon procedures.