

**FRENCH AND MONTESSORI  
EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

Annual Financial Statements

June 30, 2012

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## Independent Auditor's Report

To the Board of Directors  
French and Montessori Education, Inc.  
d/b/a Audubon Charter School  
New Orleans, Louisiana

We have audited the accompanying statement of financial position of French and Montessori Education, Inc., d/b/a Audubon Charter School (the School), a non-profit organization, 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 the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 24, 2012, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

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The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

The Performance and Statistical Data included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. 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. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School taken as a whole. The accompanying schedule of board of directors is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedules of board of directors and expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

August 24, 2012

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Financial Position  
June 30, 2012**

<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 2,538,477
Accounts Receivable	725,456
Prepaid Expenses	<u>9,757</u>
<b>Total Current Assets</b>	<u>3,273,690</u>
<b>Fixed Assets</b>	
Computers	308,711
Improvements	75,547
Accumulated Depreciation	<u>(330,148)</u>
<b>Total Fixed Assets, Net</b>	<u>54,110</u>
<b>Total Assets</b>	<u><u>\$ 3,327,800</u></u>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts Payable	17,144
Accrued Expenses	481,560
Deferred Revenue	<u>107,977</u>
<b>Total Liabilities</b>	<u>606,681</u>
<b>Net Assets</b>	
Unrestricted	<u>2,721,119</u>
<b>Total Net Assets</b>	<u>2,721,119</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 3,327,800</u></u>

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

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Activities  
For the Year Ended June 30, 2012**

	<u>Unrestricted</u>
<b>Revenue, Grants and Other Support</b>	
State and Local Public School Funding	\$ 5,825,654
Federal Grants	507,993
Donations	243,830
Student Activity Revenue	201,888
Other Income	151,592
Other State Funding	149,513
Fee Revenue	110,973
Interest Income	6,280
	<u>7,197,723</u>
<b>Total Revenue, Grants and Other Support</b>	
<b>Expenses</b>	
Program Services	
Regular Education Programs	3,137,538
Special Education Programs	725,456
Operations and Maintenance of Plant Services	546,737
School Administration	515,807
Pupil Support Services	475,181
Special Programs	440,620
Instructional Staff Services	364,741
Other Instructional Programs	115,818
Depreciation	30,034
Food Service	19,715
Management and General	
Central Services	270,772
General Administration	140,618
Bad Debt	121,842
Business Services	80,079
	<u>6,984,958</u>
<b>Total Expenses</b>	
<b>Change in Net Assets</b>	212,765
<b>Net Assets, Beginning of Year</b>	<u>2,508,354</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 2,721,119</u></u>

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

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Cash Flows  
For the Year Ended June 30, 2012**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 212,765
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation	30,034
Loss on Sale of Investments	2,911
Bad Debt	121,842
(Increase) Decrease in:	
Accounts Receivable	(78,984)
Prepaid Expenses	(9,575)
Increase (Decrease) in:	
Accounts Payable	(1,713)
Accrued Liabilities	329,766
Deferred Revenue	33,485
	<u>427,766</u>
<b>Total Adjustments</b>	<u>427,766</u>
<b>Net Cash Provided by Operating Activities</b>	<u>640,531</u>
<b>Cash Flows from Investing Activities</b>	
Proceeds from Sale of Investments	<u>5,980</u>
<b>Net Cash Provided by Investing Activities</b>	<u>5,980</u>
<b>Net Increase in Cash and Cash Equivalents</b>	646,511
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,891,966</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 2,538,477</u></u>

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



**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

French and Montessori Education, Inc. (FAME) was created as a non-profit corporation under the laws of the State of Louisiana on October 28, 2005. FAME applied to the Orleans Parish School Board to operate a Type III charter school. On January 12, 2006, the Orleans Parish School Board approved the charter of Audubon Charter School (the School). The initial charter was granted for a minimum of five years and subsequently renewed for another five year term during 2011. The School serves eligible students in pre-kindergarten through eighth grade.

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

**Financial Statement Presentation**

The School follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of the *Not-for-Profit Entities* Topic of the FASB ASC, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor-imposed time or purpose restrictions. Restricted contributions, for which the restriction is met in the same year, are classified as unrestricted.

**Basis of Accounting**

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

**Revenues**

The School's primary source of funding is through the State Public School Fund and the Orleans Parish School Board. The School received \$5,825,654 from the State and School Board based on eligible students in attendance on a monthly basis. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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

**Fixed Assets and Depreciation**

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

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense totaled \$30,034 for the year ended June 30, 2012. The following are the estimated useful lives of the fixed assets of the School:

Improvements	7 - 10 Years
Computers	3 Years

**Income Taxes**

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

**Statement of Cash Flows**

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

**Use of Estimates**

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

**Concentrations**

The School received 81% of its revenues in the year ended June 30, 2012, from local sources and the State of Louisiana, subject to its charter school contract with the State, and 7% of its funding from the Federal Government.

**Concentrations of Credit Risk Arising From Cash Deposits in Excess of Insured Limits**

The School periodically maintains cash in bank accounts in excess of insured limits. The School has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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

**Compensated Absences**

The Board of Directors of the School grants all contracted employees of the School a total of 10 days of sick pay per year, provided, however, that the employee is contracted for a full year. Contracted employees may carry over 4 sick days from year to year. The liability at June 30, 2012, is considered to be immaterial and is not recorded in the financial statements.

**Note 2. Cash and Cash Equivalents**

The School's cash and cash equivalents (book balances) at June 30, 2012, were \$2,538,477, which are stated at cost which approximates market.

**Note 3. Accounts Receivable**

As of June 30, 2012, accounts receivable totaled \$725,456, \$53,835 of which is a receivable for state grants, \$131,083 of which is an E-Rate funds receivable, and \$540,538 of which is a receivable for federal grants passed through the State of Louisiana. These receivables are considered to be fully collectible.

**Note 4. Fixed Assets**

Depreciation expense for the year ended June 30, 2012, was \$30,034. Depreciation is calculated using the straight-line method with useful lives of 3, 7, or 10 years.

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

**Note 5. Deferred Revenue**

Deferred revenue of \$107,977 consists of funds held as of June 30, 2012, which include unexpended private grant funds for 2012/2013 programs and events.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 6. Accrued Expenses**

Accrued expenses consist of the following:

Outsourced Professional Services	\$ 182,639
Payroll - Salaries and Benefits	<u>298,921</u>
<b>Total</b>	<b><u>\$ 481,560</u></b>

**Note 7. Retirement Plan**

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

**Plan Description**

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

**Funding Policy**

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the majority of the year ending June 30, 2012, the employer contribution rate was 23.70%. The current rate, which was effective June 25, 2012, is 24.50% of annual eligible covered payroll. The employer contribution rate for the years ended June 30, 2011 and 2010 was 20.2% and 15.5%, respectively. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contributions to the plan for the years ended June 30, 2012, 2011, and 2010 were \$840,176, \$712,234, and \$580,177, respectively, which is equal to the required contribution.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

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**Note 8. Uncertain Income Taxes**

The School's 2008, 2009 and 2010 tax returns were filed appropriately. As of August 24, 2012, the School had not filed their 2011 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2008 through 2010. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

**Note 9. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 24, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

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

To the Board of Directors  
French and Montessori Education, Inc.  
d/b/a Audubon Charter School  
New Orleans, Louisiana

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

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

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

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

Findings:

None

### 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 the School’s supporting payroll records as of October 1<sup>st</sup>.
3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals, and full time classroom teachers by classification as of October 1<sup>st</sup> and as reported on the schedule. We traced 25 of the teachers to the individual’s personnel file to determine if the individual’s education level was properly classified on the schedule.

Findings:

None

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

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

Findings:

None

### Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers (Schedule 4)

6. We obtained a list of principals, assistant principals, and full time classroom teachers by classification as of October 1<sup>st</sup> and as reported on the schedule, and traced the same sample used in procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

Findings:

None

### Public 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 equivalents 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.



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

Findings:

None

Class Size Characteristics (Schedule 6)

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

Findings:

None

Louisiana Educational Assessment Program (LEAP) (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 on the schedule by the School.

Findings:

None

Graduation Exit Exam (Schedule 8)

11. Not applicable.

iLEAP Test Results (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 on the schedule by the School.

Findings:

None

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

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

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

August 24, 2012

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedules Required by Louisiana State Law  
(R.S. 24:514 - Performance and Statistical Data)  
As of and for the Year Ended June 30, 2012**

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

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

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

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

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

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

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

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

**Schedule 5 - Public School Staff Data**

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

**Schedule 6 - Class Size Characteristics**

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

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

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

**Schedule 8 - Graduation Exit Exam**

Not applicable.

**Schedule 9 - iLEAP Test Results**

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

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
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	\$ 2,268,738
Other Instructional Staff Salaries	424,300
Instructional Staff Employee Benefits	915,768
Purchased Professional and Technical Services	14,315
Instructional Materials and Supplies	149,695
Instructional Equipment	<u>3,725</u>

**Total Teacher and Student Interaction Activities** \$ 3,776,541

Other Instructional Activities 39,946

Pupil Support Services 211,313

Less: Equipment for Pupil Support Services -

**Net Pupil Support Services** 211,313

Instructional Staff Services 278,626

Less: Equipment for Instructional Staff Services -

**Net Instructional Staff Services** 278,626

School Administration 497,453

Less: Equipment for School Administration -

**Net School Administration** 497,453

**Total General Fund Instructional Expenditures** \$ 4,803,879

**Total General Fund Equipment Expenditures** \$ 3,725

**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	<u>-</u>

**Total Local Taxation Revenue** \$ -

**Local Earnings on Investment in Real Property**

Earnings from 16 <sup>th</sup> Section Property	\$ -
Earnings from Other Real Property	<u>-</u>

**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	<u>-</u>

**Total State Revenue in Lieu of Taxes** \$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Education Levels of Public School Staff  
As of October 1, 2011**

	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
Category	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	34	68%	2	100%				
Master's Degree	15	30%			1	50%		
Master's Degree +30	1	2%			1	50%		
Specialist in Education								
Ph. D. or Ed. D.								
<b>Total</b>	<b>50</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>2</b>	<b>100%</b>		

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Number and Type of Public Schools  
For the Year Ended June 30, 2012**

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

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Experience of Public Principals, Assistant 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							1	1
Principals							1	1
Classroom Teachers	14	7	10	3	5	6	7	52
<b>Total</b>	<b>14</b>	<b>7</b>	<b>10</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>9</b>	<b>54</b>

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Public School Staff Data  
For the Year Ended June 30, 2012**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$45,462	\$44,996
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$45,427	\$44,996
<b>Number of Teacher Full Time Equivalent (FTEs) Used in Computation of Average Salaries</b>	54.3	52.3

See independent accountant's report on applying agreed-upon procedures.



**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
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	26%	9	63%	22	11%	4		
Elementary Activity Classes								

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Louisiana Educational Assessment Program (LEAP)  
For the Year Ended June 30, 2012**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>																								
Advanced	7	9%	7	11%	7	7%	8	11%	7	7%	7	7%	14	19%	3	5%	6	6%	10	14%	4	6%	3	3%
Mastery	30	42%	26	40%	35	37%	19	26%	27	29%	27	29%	21	29%	14	21%	21	22%	15	21%	17	26%	23	24%
Basic	30	42%	30	46%	41	44%	35	49%	43	46%	43	46%	30	42%	39	60%	49	52%	41	57%	41	63%	48	52%
Approaching Basic	5	7%	2	3%	10	11%	8	11%	10	11%	10	11%	7	10%	7	11%	15	17%	5	7%	3	5%	14	15%
Unsatisfactory	0	0%	0	0%	1	1%	2	3%	7	7%	7	7%	0	0%	2	3%	3	3%	1	1%	0	0%	6	6%
<b>Total</b>	<b>72</b>	<b>100%</b>	65	100%	94	100%	<b>72</b>	<b>100%</b>	94	100%	94	100%	<b>72</b>	<b>100%</b>	65	100%	94	100%	<b>72</b>	<b>100%</b>	65	100%	94	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2012		2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>																								
Advanced	7	11%	4	8%	4	9%	11	18%	1	2%	4	9%	9	15%	2	4%	0	0%	11	19%	1	2%	0	0%
Mastery	27	44%	21	41%	11	25%	4	6%	3	6%	10	23%	24	41%	19	37%	11	25%	25	42%	18	35%	12	27%
Basic	23	37%	25	49%	28	64%	38	62%	42	82%	26	59%	22	37%	25	49%	28	64%	21	36%	29	57%	31	71%
Approaching Basic	5	8%	1	2%	1	2%	7	11%	3	6%	3	7%	4	7%	5	10%	5	11%	2	3%	3	6%	1	2%
Unsatisfactory	0	0%	0	0%	0	0%	2	3%	2	4%	1	2%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>62</b>	<b>100%</b>	51	100%	44	100%	<b>62</b>	<b>100%</b>	51	100%	44	100%	<b>59</b>	<b>100%</b>	51	100%	44	100%	<b>59</b>	<b>100%</b>	51	100%	44	100%

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Graduation Exit Exam  
For the Year Ended June 30, 2012**

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The School does not have grades 10 or 11; therefore, this schedule does not apply.

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
iLEAP Test Results  
For the Year Ended June 30, 2012**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 3</b>																								
Advanced	3	3%	4	5%	5	7%	16	18%	12	16%	6	8%	16	18%	8	11%	1	1%	1	1%	3	4%	3	4%
Mastery	35	39%	29	39%	14	20%	25	28%	15	20%	21	30%	23	26%	14	19%	16	23%	31	35%	19	26%	16	23%
Basic	36	41%	31	43%	34	48%	32	35%	36	49%	33	47%	38	42%	35	47%	33	47%	42	48%	39	52%	33	46%
Approaching Basic	12	14%	9	12%	15	21%	13	15%	10	14%	8	11%	10	11%	13	18%	15	21%	11	13%	13	18%	15	21%
Unsatisfactory	3	3%	1	1%	3	4%	3	3%	1	1%	3	4%	1	1%	4	5%	6	8%	3	3%	0	0%	4	6%
<b>Total</b>	<b>89</b>	<b>100%</b>	<b>74</b>	<b>100%</b>	<b>71</b>	<b>100%</b>	<b>89</b>	<b>99%</b>	<b>74</b>	<b>100%</b>	<b>71</b>	<b>100%</b>	<b>88</b>	<b>98%</b>	<b>74</b>	<b>100%</b>	<b>71</b>	<b>100%</b>	<b>88</b>	<b>100%</b>	<b>74</b>	<b>100%</b>	<b>71</b>	<b>100%</b>

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 5</b>																								
Advanced	7	11%	9	11%	7	11%	8	13%	17	22%	7	11%	3	5%	8	10%	4	6%	6	10%	3	4%	2	3%
Mastery	19	30%	24	30%	18	27%	18	28%	11	14%	21	32%	21	33%	16	20%	15	23%	19	30%	12	15%	11	17%
Basic	32	50%	34	44%	31	47%	29	45%	35	44%	22	33%	27	42%	43	55%	32	48%	29	45%	43	55%	36	54%
Approaching Basic	6	9%	9	11%	8	12%	7	11%	11	14%	8	12%	13	20%	11	14%	13	20%	6	9%	13	16%	9	14%
Unsatisfactory	0	0%	3	4%	2	3%	2	3%	5	6%	8	12%	0	0%	1	1%	2	3%	4	6%	8	10%	8	12%
<b>Total</b>	<b>64</b>	<b>100%</b>	<b>79</b>	<b>100%</b>	<b>66</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>79</b>	<b>100%</b>	<b>66</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>79</b>	<b>100%</b>	<b>66</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>79</b>	<b>100%</b>	<b>66</b>	<b>100%</b>

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 6</b>																								
Advanced	7	9%	6	10%	13	21%	11	14%	21	34%	10	16%	3	4%	8	13%	4	6%	16	20%	15	24%	16	25%
Mastery	24	30%	20	32%	21	33%	24	30%	18	29%	16	25%	17	22%	23	37%	21	33%	20	26%	16	26%	13	21%
Basic	40	51%	29	47%	25	40%	36	45%	21	34%	35	56%	51	64%	27	44%	30	48%	35	44%	28	45%	27	43%
Approaching Basic	8	10%	6	10%	3	5%	6	8%	2	3%	0	0%	7	9%	4	6%	7	11%	7	9%	3	5%	4	6%
Unsatisfactory	0	0%	1	1%	1	1%	2	3%	0	0%	2	3%	1	1%	0	0%	1	2%	1	1%	0	0%	3	5%
<b>Total</b>	<b>79</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>63</b>	<b>100%</b>	<b>79</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>63</b>	<b>100%</b>	<b>79</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>63</b>	<b>100%</b>	<b>79</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>63</b>	<b>100%</b>

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 7</b>																								
Advanced	10	15%	16	25%	6	10%	25	37%	12	19%	4	6%	8	12%	4	6%	2	3%	4	6%	7	11%	3	5%
Mastery	27	40%	19	30%	16	26%	18	27%	15	23%	16	26%	26	39%	18	28%	12	19%	26	39%	23	36%	13	21%
Basic	26	40%	24	37%	37	59%	22	33%	32	50%	40	64%	25	38%	34	53%	39	63%	33	50%	32	50%	41	66%
Approaching Basic	3	4%	5	8%	3	5%	1	1%	5	8%	1	2%	7	11%	7	11%	8	13%	2	3%	2	3%	3	5%
Unsatisfactory	1	1%	0	0%	0	0%	1	2%	0	0%	1	2%	0	0%	1	2%	1	2%	1	2%	0	0%	2	3%
<b>Total</b>	<b>67</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>67</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>66</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>66</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>62</b>	<b>100%</b>

See independent accountant's report on applying agreed-upon procedures.

## **SUPPLEMENTAL INFORMATION**

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Board of Directors  
For the Year Ended June 30, 2012**

<b>Board Members</b>	<b>Compensation</b>	<b>Board Members</b>	<b>Compensation</b>
Rev. Cornelius Tilton (Chairman) 819 First Street New Orleans, LA 70130	\$-0-	Jean-Claude Brunet 1340 Poydras Street, Suite 170 New Orleans, LA 70112	\$-0-
Timothy Jackson (Vice-Chair) 5629 Bellaire Drive New Orleans, LA 70124	\$-0-	Teddi Locke 7818 Panola Street New Orleans, LA 70118	\$-0-
Jolynn King (Secretary) 6319 Louisville St. New Orleans, LA 70127	\$-0-	Claire McDaniel 5720 Kensington Blvd New Orleans, LA 70127	\$-0-
Eva Alito 800 Solomon Place New Orleans, LA 70119	\$-0-	Robert Sloan 629 Loyola Avenue New Orleans, LA 70130	\$-0-
Shawn Barney 650 Poydras St. Suite 1400 New Orleans, LA 70130	\$-0-	Jacqueline Smith 1107 S. Peters Street New Orleans, LA 70130	\$-0-
Derek Bardell 9029 Quince Street New Orleans, LA 70118	\$-0-	Greg Thompson 1722 Short St. New Orleans, LA 70130	\$-0-



LaPorte, APAC  
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LaPorte.com

**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  
French and Montessori Education, Inc.  
d/b/a Audubon Charter School  
New Orleans, Louisiana

We have audited the financial statements of French and Montessori Education, Inc., d/b/a Audubon Charter School (the School), a non-profit organization, as of and for the year ended June 30, 2012, and have issued our report thereon dated August 24, 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 the School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 previously.

**NEW ORLEANS HOUSTON BATON ROUGE COVINGTON**

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The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

## **Compliance and Other Matters**

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

This report is intended solely for the information and use of the management and Board of Directors of the School, the Louisiana Legislative Auditor, the Louisiana Department of Education, the Orleans Parish School Board, and federal 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 Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

August 24, 2012



**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  
French and Montessori Education, Inc.  
d/b/a Audubon Charter School  
New Orleans, Louisiana

**Compliance**

We have audited the compliance of French and Montessori Education, Inc., d/b/a Audubon Charter School (the School), a non-profit corporation, 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 the School's major federal programs for the year ended June 30, 2012. The School's major federal program is identified in the summary of auditor's 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 program is the responsibility of the School's management. Our responsibility is to express an opinion on the School'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 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 the School'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 the School's compliance with those requirements.

In our opinion the School complied, in all material respects, with the 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.

## **Internal Control Over Compliance**

Management of the School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with 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 the School's internal control over compliance.

*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 the type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 a material weakness, as defined above.

This report is intended solely for the information and use of the management and Board of Directors of the School, the Louisiana Legislative Auditor, the Louisiana Department of Education, the Orleans Parish School Board, and federal 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 Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

August 24, 2012

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
United States Department of Education		
(Passed through the Orleans Parish School Board)		
Title I Grants to Local Education Agencies (LEAs) - Major Program	84.010	\$ 267,883
Hurricane Educator Assistance Program	84.938K	85,194
Temporary Assistance for Needy Families (TANF)	93.558	72,447
Special Education - Grants to States (IDEA, Part B)	84.027	61,236
Title II Improving Teacher Quality State Grants	84.367	<u>21,233</u>
<b>Total United States Department of Education</b>		<u><u>\$ 507,993</u></u>
<b>Total Federal Financial Assistance</b>		<u><u>\$ 507,993</u></u>

**Notes to the Schedule of Expenditures of Federal Awards**

Note 1 - The schedule is prepared on the accrual basis of accounting.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012**

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**Section I. Summary of Audit Results**

Financial Statements

- |   |             |
|---|-------------|
| 1) Type of auditor's report   | Unqualified |
| 2) Compliance and internal control over financial reporting                     |             |
| a) Material weaknesses identified   | None        |
| b) Significant deficiencies identified not considered to be material weaknesses | None        |
| c) Noncompliance noted  | None        |
| 3) Management letter comment provided   | None        |

Federal Awards

- |   |             |
|---|-------------|
| 4) Internal control over major programs   |             |
| a) Material weaknesses identified   | None        |
| b) Significant deficiencies identified not considered to be material weaknesses                     | None        |
| 5) Type of auditor's report issued on compliance for major federal programs                         | Unqualified |
| 6) Audit findings disclosed that are required in accordance with OMB Circular A-133, Section 510(a) | None        |
| 7) Identification of major programs<br>84.010 - Title I Grants to Local Educational Agencies (LEAs) |             |
| 8) Dollar threshold used to distinguish between Type A and B programs                               | \$300,000   |
| 9) Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530                    | Yes         |

**Section II. Internal Control Over Financial Reporting**

None

**Section III. Findings and Questioned Costs Related to Major Federal Award Program**

None

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2012**

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None