

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
FINANCIAL STATEMENTS
June 30, 2013 and 2012

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

Release Date DEC 25 2013

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friends of Louisiana Connections Academy

Report on the Financial Statements

We have audited the accompanying financial statements of Friends of Louisiana Connections Academy (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Louisiana Connections Academy as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is 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 as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report November 26, 2013, on our consideration of Friends of Louisiana Connections Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Friends of Louisiana Connections Academy's internal control over financial reporting and compliance.

November 26, 2013

Wegmann Daxet + Company

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
STATEMENTS OF FINANCIAL POSITION

June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash	\$ 3,134,137	\$ 512,534
Federal grant receivables	63,555	253,043
Due from Connections Academy of Louisiana	25	348,958
Prepaid expenses	19,327	6,682
Property and equipment, at cost less accumulated depreciation	104,081	105,204
Other assets	6,682	6,682
	<u>6,682</u>	<u>6,682</u>
Total assets	<u>\$ 3,327,807</u>	<u>\$ 1,233,103</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,103,787	\$ 356,606
	<u>1,103,787</u>	<u>356,606</u>
Total liabilities	<u>1,103,787</u>	<u>356,606</u>
NET ASSETS		
Net assets		
Unrestricted	624,020	876,497
Unrestricted - board designated	1,600,000	-
	<u>2,224,020</u>	<u>876,497</u>
Total net assets	<u>2,224,020</u>	<u>876,497</u>
Total liabilities and net assets	<u>\$ 3,327,807</u>	<u>\$ 1,233,103</u>

See accompanying Notes to Financial Statements.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2013 and 2012

	2013	2012
Unrestricted net assets		
Revenues and other support		
State and local pupil aid - Minimum Foundation Program	\$ 10,228,744	\$ 4,955,736
Federal sources	600,181	289,272
Other	<u>20,045</u>	<u>-</u>
Total revenues and other support	<u>10,848,970</u>	<u>5,245,008</u>
Expenses		
Program services:		
Instructional	7,083,330	3,105,216
Supporting services:		
Management and general	<u>2,418,117</u>	<u>1,262,451</u>
Total expenses	<u>9,501,447</u>	<u>4,367,667</u>
Change in net assets	1,347,523	877,341
Net assets at beginning of year	<u>876,497</u>	<u>(844)</u>
Net assets at end of year	<u><u>\$ 2,224,020</u></u>	<u><u>\$ 876,497</u></u>

See accompanying Notes to Financial Statements.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2013 and 2012

	2013		
	Program Services	Support Services	Total
	Instructional	Management and General	
Regular education programs	\$ 5,747,574	\$ -	\$ 5,747,574
Special education programs	577,824	-	577,824
Other instruction programs	62,829	-	62,829
Pupil support services	695,103	171,099	866,202
General administrative	-	21,767	21,767
School administrative	-	1,415,527	1,415,527
Business services	-	612,835	612,835
Operations & maintenance of plant services	-	120,279	120,279
Central services	-	76,610	76,610
	<u>\$ 7,083,330</u>	<u>\$ 2,418,117</u>	<u>\$ 9,501,447</u>

	2012		
	Program Services	Support Services	Total
	Instructional	Management and General	
Regular education programs	\$ 2,417,204	\$ -	\$ 2,417,204
Special education programs	251,186	-	251,186
Other instruction programs	11,296	-	11,296
Pupil support services	425,530	77,453	502,983
General administrative	-	32,231	32,231
School administrative	-	737,500	737,500
Business services	-	278,923	278,923
Operations & maintenance of plant services	-	90,607	90,607
Central services	-	45,737	45,737
	<u>\$ 3,105,216</u>	<u>\$ 1,262,451</u>	<u>\$ 4,367,667</u>

See accompanying Notes to Financial Statements.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Change in net assets	\$ 1,347,523	\$ 877,341
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	25,072	22,430
(Increase) decrease in operating assets:		
Federal grant receivables	189,488	(208,564)
Due from Connections Academy of Louisiana	348,933	(348,958)
Prepaid expenses	(12,645)	(6,682)
Other assets	-	(6,682)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	747,181	310,628
Net cash provided by operating activities	<u>2,645,552</u>	<u>639,513</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(23,949)</u>	<u>(127,634)</u>
Net cash used by investing activities	<u>(23,949)</u>	<u>(127,634)</u>
Net increase	2,621,603	511,879
Cash and cash equivalents at beginning of year	<u>512,534</u>	<u>655</u>
Cash and cash equivalents at end of year	<u>\$ 3,134,137</u>	<u>\$ 512,534</u>

See accompanying Notes to Financial Statements.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2013 and 2012

1) Summary of significant accounting policies

a) Organization

Friends of Louisiana Connections Academy (“School”) is a not-for-profit corporation established in the State of Louisiana in 2009 to operate a charter school, to leverage technology to help each participating student maximize his or her potential and meet the highest performance standards using a uniquely individualized learning program that combines the best in virtual education with unique technology-based teacher productivity tools and very real connections among students, family, teachers, and the community. The Board of Elementary and Secondary Education approved the granting of a charter to the School to operate as a Type 2 Charter School subject to a three-year review. The School provides educational services to students in kindergarten through twelfth grades throughout Louisiana, and is funded primarily through state and local pupil aid assistance.

b) Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recorded when earned and expenses at the time liabilities are incurred. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, by actions of the School. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions and that are to be held in perpetuity by the School.

c) Cash and cash equivalents

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

d) Donated services

Donated services are recognized only if the services received either create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

e) Property and equipment

Additions to physical plant and facilities are capitalized and stated at cost at the date of acquisition or at fair value at the date of donation for gifts. Repairs and maintenance are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation is provided by utilizing the straight-line method over estimated useful lives of the assets which ranges from three to seven years.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2013 and 2012

1) Summary of significant accounting policies (continued)

f) Recognition of donor restricted contributions

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Restricted net assets whose restrictions are met in the same reporting period are reported as unrestricted net assets.

g) 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 of assets and liabilities and disclosure of certain 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.

h) Income tax status

The School has received a tax-exempt ruling under Section 501(c)(3) of the Internal Revenue Code, and accordingly, is not subject to federal taxes unless the School has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2010 and later remain subject to examination by the taxing authorities. As of June 30, 2013, management of the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

i) Accrued payroll

Teachers at the School are paid over twelve months, even though school is only in session for ten months. Because of this, the salary for the current school year that is paid subsequent to June 30, 2013 is recorded as accrued expenses.

j) Functional expenses

The cost of program and supporting services has been reported on a functional basis. Accordingly, this requires that allocation of certain costs based on total program costs and estimates made by management.

k) Designation of unrestricted net assets

It is policy of the Board of Directors of the School to review its plan for future property improvements and acquisitions from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such improvements and acquisitions.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2013 and 2012

2) Concentrations of credit risk

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The School may, at times, have deposits in excess of the FDIC insured limits. The School has not experienced any losses in such accounts. The School has no policy requiring collateral or other security to support its deposits.

3) Financial assistance

The School receives all of its support from the Louisiana State Department of Education and the United States Department of Education. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred. As of June 30, 2013 and 2012, grants receivables totaled \$63,555 and \$253,043, respectively, which was a receivable for federal grants passed through the Louisiana Department of Education. The balance is considered fully collectible.

4) Property and equipment

A summary of property and equipment as of June 30, 2013 and 2012 follows:

	2013	2012
Furniture and equipment	\$ 130,497	\$ 109,849
Leasehold improvements	<u>21,087</u>	<u>17,785</u>
	151,584	127,634
Less: accumulated depreciation	<u>(47,503)</u>	<u>(22,430)</u>
Total	<u>\$ 104,081</u>	<u>\$ 105,204</u>

5) Commitments and contingent liabilities

a) Operating leases

The School leases a facility under the provisions of a long-term lease agreement classified as an operating lease. The lease expires in July 2014. Future minimum lease payments under the noncancellable operating lease are as follows:

Fiscal year ending June 30:	
2014	\$ 114,321
2015	<u>9,527</u>
Total lease commitments	<u>\$ 123,848</u>

Rental expense under the lease for the years ended June 30, 2013 and 2012 totaled \$108,632 and \$80,184, respectively.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2013 and 2012

5) Commitments and contingent liabilities (continued)

b) Professional services agreement

Effective February 22, 2011, the School entered into an agreement with Connections Academy of Louisiana, LLC (CA) through June 30, 2016, unless terminated by either party.

CA provides educational services, including instructional materials, personalized learning plans for each student, assessments, standardized tests, administrative staff, community coordinators and group activities, teaching staff, educational resource center, instructional staff support and development, learning management system, software, hardware, and internet access, technical support and maintenance, student records, and services to special needs students. CA also provides administrative services, including reporting, and management services.

Amounts either paid or payable to CA as of the years ended June 30, 2013 and 2012 were \$9,261,722 and \$4,371,106, respectively.

c) Litigation

The School is contingently liable for claims and judgments resulting from lawsuits incidental to normal operations. In the opinion of the School's management and legal counsel, adverse decisions that might result, to the extent not covered by insurance, would not have a material effect on the financial statements. No provision has been made in the financial statements for possible losses of this nature.

6) Limitations on net assets

The School's board of directors has chosen to place the following limitations on unrestricted net assets:

	<u>2013</u>
Designated for purchase of building	\$1,600,000
Undesignated	<u>624,020</u>
Unrestricted net assets	<u>\$2,224,020</u>

7) Subsequent events

Management evaluated subsequent events through November 26, 2013 the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

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INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Friends of Louisiana Connections Academy

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Friends of Louisiana Connections Academy and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data for the year ended June 30, 2013, accompanying the annual financial statements of Friends of Louisiana Connections Academy 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. Management of Friends of Louisiana Connections Academy is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplementary 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 categories reported on Schedule 1.

Findings: We noted two (2) instances where an expenditure was classified incorrectly.

Corrective Action Plan: The school is reviewing its fiscal procedures and will adjust them as deemed necessary.

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 Connections Academy of Louisiana supporting payroll records as of October 1, 2012.

Findings: None.

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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, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Findings: None.

4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that 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: Incorrect school type selected on original Title I application. Elementary was selected instead of combination.

Corrective action plan: After receiving the finding, the schools most recent Title I application was corrected and verified it is now reflected correctly in the EGMS system.

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 teachers by classification as of October 1, 2012 and as reported on the schedule. We traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Findings: We noted five (5) instances where the employee's years of experience did not agree to the October 1, 2012 PEP report.

Corrective action plan: The school is reviewing its teacher experience and education records and will make the necessary prospective changes.

Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salaries, 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 that the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Findings: We noted teacher's reported salary incorrectly excluded bonuses and extra compensation.

Corrective action plan: Prospectively, the schedule will be completed according to the correct definitions.

8. We recalculated the average salaries and full-time equivalents reported in 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 traced a random sample of 10 classes to the October 1, 2012 roll books for those classes and determined that 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 in the schedule by the School.

Findings: None.

Graduation Exit Examination (GEE) (Schedule 8)

11. Information is not applicable for 2013 and is shown for historical purposes.

Findings: None.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to the scores reported in 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 information and use of management of Friends of Louisiana Connections Academy, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be 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.

November 26, 2013
Metairie, Louisiana

Wegmann Daxet + Company

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
SCHEDULES REQUIRED BY LOUISIANA STATE LAW
(R.S. 24:524 – PERFORMANCE AND STATISTICAL DATA)

As of and For the Year Ended June 30, 2013

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 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 AFSR.

Schedule 5 - Public School Staff Data: Average Salaries

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

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 - Graduation Exit Examination (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This information is not applicable for 2013 and is shown for historical purposes only.

Schedule 9 - iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
 General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
 For the Year Ended June 30, 2013

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
<u>General Fund Instructional Expenditures:</u>		
<u>Teacher and Student Interaction Activities:</u>		
Classroom Teacher Salaries	\$1,489,847	
Other Instructional Staff Activities	174,179	
Instructional Staff Employee Benefits	439,403	
Purchased Professional and Technical Services	834,809	
Instructional Materials and Supplies	2,594,950	
Instructional Equipment	-	
	<hr/>	
Total Teacher and Student Interaction Activities		\$5,533,188
Other Instructional Activities		376,387
Pupil Support Services	625,607	
Less: Equipment for Pupil Support Services	-	
	<hr/>	
Net Pupil Support Services		625,607
Instructional Staff Services	171,099	
Less: Equipment for Instructional Staff Services	-	
	<hr/>	
Net Instructional Staff Services		171,099
School Administration	1,412,416	
Less: Equipment for School Administration	-	
	<hr/>	
Net School Administration		1,412,416
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 8,118,697</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$ -</u>
 <u>Certain Local Revenue Sources</u>		
<u>Local Taxation Revenue:</u>		
<u>Advalorem Taxes</u>		
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		-
Result of Court Ordered Settlement (Ad Valorem)		-
Penalties/Interest on Ad Valorem Taxes		-
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)		-
<u>Sales Taxes</u>		-
Sales and Use Taxes - Gross		-
Sales/Use Taxes - Court Settlement		-
Penalties/Interest on Sales/Use Taxes		-
Sales/Use Taxes Collected Due to TIF		-
	<hr/>	
Total Local Taxation Revenue		<u>\$ -</u>
 <u>Local Earnings on Investment in Real Property:</u>		
Earnings from 16th Section Property	\$	-
Earnings from Other Real Property		-
	<hr/>	
Total Local Earnings on Investment in Real Property		<u>\$ -</u>
 <u>State Revenue in Lieu of Taxes:</u>		
Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
	<hr/>	
Total State Revenue in Lieu of Taxes		<u>\$ -</u>
Nonpublic Textbook Revenue	<u>\$</u>	<u>-</u>
Nonpublic Transportation Revenue	<u>\$</u>	<u>-</u>

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
Education Levels of Public School Staff
As of October 1, 2012

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than Bachelor's Degree	-	0%	-	0%	-	0%	-	0%
Bachelor's Degree	22	60%	-	0%	1	33%	-	0%
Master's Degree	13	35%	-	0%	2	67%	-	0%
Master's Degree +30	2	5%	-	0%	-	0%	-	0%
Specialist in Education	-	0%	-	0%	-	0%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	-	0%	-	0%
Total	37	100%	-	0%	3	100%	-	0%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
Number and Type of Public Schools
For the Year Ended June 30, 2013

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

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
Experience of Public Principals, Assistant Principals
and Full Time Classroom Teachers
As of October 1, 2012

	0-1 Yr.	2 - 3 Yrs.	4 - 10 yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals	-	-	1	-	-	2	-	3
Classroom Teachers	3	7	18	6	1	-	2	37
Total	3	7	19	6	1	2	2	40

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
Public School Staff Data: Average Salaries
For the Year Ended June 30, 2013

	All Classroom Teachers	Classroom Teachers Excluding ROTC Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$ 45,657	\$ 45,657
Average Classroom Teachers Salary Excluding Extra Compensation	\$ 43,482	\$ 43,482
Number of Teacher Full-Time Equivalents (FTEs) Used in Computation of Average Salaries	37.0	37.0

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
Class Size Characteristics
As of October 1, 2012

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary	47	39%	16	13%	26	21%	33	27%
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	18	39%	1	2%	1	2%	26	57%
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	42	55%	4	5%	4	5%	26	34%
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	2	100%
Combination Activity Classes	-	-	-	-	-	-	-	-

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
Louisiana Educational Assessment Program (LEAP)
For the Years Ended June 30, 2013 and 2012

School Achievement Level Results	English Language Arts				Mathematics			
	2013		2012		2013		2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 4								
Advanced	1	1%	3	7%	2	2%	3	7%
Mastery	17	20%	9	20%	8	9%	8	18%
Basic	34	40%	18	41%	34	40%	19	43%
Approaching Basic	19	22%	8	18%	16	19%	9	20%
Unsatisfactory	15	17%	6	14%	26	30%	5	11%
Total	86	100%	44	100%	86	100%	44	100%

School Achievement Level Results	Science				Social Studies			
	2013		2012		2013		2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 4								
Advanced	3	4%	4	9%	0	0%	0	0%
Mastery	20	24%	9	20%	11	13%	8	18%
Basic	38	45%	19	43%	50	60%	21	48%
Approaching Basic	12	14%	9	20%	13	15%	8	18%
Unsatisfactory	11	13%	3	7%	10	12%	7	16%
Total	84	100%	44	100%	84	100%	44	100%

School Achievement Level Results	English Language Arts				Mathematics			
	2013		2012		2013		2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 8								
Advanced	3	2%	0	0%	3	2%	2	3%
Mastery	16	13%	8	12%	10	8%	5	8%
Basic	61	48%	33	51%	57	45%	27	42%
Approaching Basic	35	27%	21	32%	28	22%	18	28%
Unsatisfactory	13	10%	3	5%	30	23%	13	20%
Total	128	100%	65	100%	128	100%	65	100%

School Achievement Level Results	Science				Social Studies			
	2013		2012		2013		2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 8								
Advanced	5	4%	1	2%	0	0%	0	0%
Mastery	30	24%	12	18%	21	17%	9	14%
Basic	51	40%	26	40%	66	52%	29	45%
Approaching Basic	31	25%	22	34%	20	16%	20	31%
Unsatisfactory	9	7%	4	6%	19	15%	7	11%
Total	126	100%	65	100%	126	100%	65	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
 Graduation Exit Exam
 For the Years Ended June 30, 2013 and 2012

District Achievement Level Results	English Language Arts				Mathematics			
	2013		2012		2013		2012	
Students	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 10								
Advanced								
Mastery								
Basic								
Approaching Basic								
Unsatisfactory								
Total								

District Achievement Level Results	Science				Social Studies			
	2013		2012		2013		2012	
Students	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Grade 11								
Advanced			1	2%			-	0%
Mastery			12	22%			4	7%
Basic			28	52%			36	67%
Approaching Basic			6	11%			6	11%
Unsatisfactory			7	13%			8	15%
Total			54	100%			54	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
iLEAP Test Results
For the Years Ended June 30, 2013 and 2012

School Achievement Level Results	English Language Arts				Mathematics			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	2	4%	3	12%	3	6%	-	0%
Mastery	6	13%	4	15%	4	9%	6	23%
Basic	19	40%	7	27%	22	47%	6	23%
Approaching Basic	14	30%	8	31%	9	19%	8	31%
Unsatisfactory	6	13%	4	15%	9	19%	6	23%
Total	47	100%	26	100%	47	100%	26	100%

School Achievement Level Results	Science				Social Studies			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	2	4%	1	4%	-	0%	-	0%
Mastery	16	34%	8	31%	8	17%	8	31%
Basic	14	30%	8	31%	25	53%	5	19%
Approaching Basic	9	19%	6	23%	5	11%	6	23%
Unsatisfactory	6	13%	3	12%	9	19%	7	27%
Total	47	100%	26	100%	47	100%	26	100%

School Achievement Level Results	English Language Arts				Mathematics			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	2	3%	2	6%	3	4%	3	9%
Mastery	10	15%	9	27%	7	11%	7	21%
Basic	39	59%	14	42%	27	41%	17	52%
Approaching Basic	13	20%	3	9%	15	23%	2	6%
Unsatisfactory	2	3%	5	15%	14	21%	4	12%
Total	66	100%	33	100%	66	100%	33	100%

School Achievement Level Results	Science				Social Studies			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	2%	4	12%	4	6%	1	3%
Mastery	13	20%	6	18%	5	8%	8	24%
Basic	41	62%	16	48%	35	53%	18	55%
Approaching Basic	11	17%	6	18%	13	20%	4	12%
Unsatisfactory	0	0%	1	3%	9	14%	2	6%
Total	66	100%	33	100%	66	100%	33	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
iLEAP Test Results
For the Years Ended June 30, 2013 and 2012

School Achievement Level Results	English Language Arts				Mathematics			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	3	3%	3	6%	6	6%	6	11%
Mastery	16	17%	13	25%	14	15%	8	15%
Basic	51	53%	18	34%	44	46%	20	38%
Approaching Basic	18	19%	11	21%	14	15%	8	15%
Unsatisfactory	8	8%	8	15%	18	19%	11	21%
Total	96	100%	53	100.0%	96	100%	53	100%

School Achievement Level Results	Science				Social Studies			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	4	4%	4	8%	8	8%	7	13%
Mastery	31	32%	11	21%	15	16%	9	17%
Basic	33	34%	23	43%	32	33%	22	42%
Approaching Basic	23	24%	9	17%	26	27%	10	19%
Unsatisfactory	5	5%	6	11%	15	16%	5	9%
Total	96	100%	53	100%	96	100%	53	100%

School Achievement Level Results	English Language Arts				Mathematics			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	6	4%	3	5%	3	2%	3	5%
Mastery	25	18%	11	17%	13	9%	8	13%
Basic	61	44%	27	42%	63	46%	28	44%
Approaching Basic	34	25%	14	22%	37	27%	11	17%
Unsatisfactory	12	9%	9	14%	22	16%	14	22%
Total	138	100%	64	100%	138	100%	64	100%

School Achievement Level Results	Science				Social Studies			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	4	3%	4	6%	1	1%	1	2%
Mastery	25	18%	14	22%	18	13%	10	16%
Basic	54	39%	24	38%	58	42%	25	39%
Approaching Basic	42	31%	17	27%	37	27%	18	28%
Unsatisfactory	12	9%	5	8%	23	17%	10	16%
Total	137	100%	64	100%	137	100%	64	100%

See Independent Accountants' Report on Applying Agreed Upon Procedures.

CLIFTON W. NEWLIN
ROBERT D. WATKINS
EDWARD G. BERBUESSE, JR.
JON S. FOLSE



WEGMANN DAZET & COMPANY

MARK D. BOHNET
LISA D. ENGLADE
KERNEY F. CRAFT, JR.
JONATHAN P. KOENIG

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
Friends of Louisiana Connections Academy

We have audited, in accordance with the 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, the financial statements of Friends of Louisiana Connections Academy (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 26, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friends of Louisiana Connections Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Friends of Louisiana Connections Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Friends of Louisiana Connections Academy's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Friends of Louisiana Connections Academy's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

November 26, 2013
Metairie, Louisiana

Wegmann Dayet + Company



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Friends of Louisiana Connections Academy

Report on Compliance for Each Major Federal Program

We have audited Friends of Louisiana Connections Academy's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Friends of Louisiana Connections Academy's major federal programs for the year ended June 30, 2013. Friends of Louisiana Connections Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Friends of Louisiana Connections Academy's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Friends of Louisiana Connections Academy'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Friends of Louisiana Connections Academy's compliance.

Opinion on Each Major Federal Program

In our opinion, Friends of Louisiana Connections Academy complied, in all material respects, with the types of 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, 2013.

Report on Internal Control over Compliance

Management of Friends of Louisiana Connections Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Friends of Louisiana Connections Academy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Friends of Louisiana Connections Academy'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 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. *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 weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

November 26, 2013
Metairie, Louisiana

Wegmann Daxet + Company

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Education:		
Pass-Through Program From:		
Louisiana Department of Education		
Title I – Part A	84.010A	\$255,957
Title II – Part A	84.367A	52,944
IDEA Preschool	84.173A	997
IDEA Part B	84.027A	202,780
Public Charter School Federal Grant Program	84.282A	<u>87,503</u>
Total Expenditures of Federal Awards		<u>\$600,181</u>

See notes to Schedule of Expenditures of Federal Awards.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

Note 1 General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Friends of Louisiana Connections Academy. The reporting entity is defined in Note 1 to Friends of Louisiana Connections Academy's financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards 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 presented in, or used in the preparation of the basic financial statements.

Note 3 Risk-based audit approach

The dollar threshold used to distinguish between Type A and Type B programs is \$300,000. The Organization does not qualify as a low-risk auditee.

Note 4 Possible ineligible, disallowed and questioned costs

Friends of Louisiana Connections Academy is subject to audits and investigations by state and federal agencies or their designees for compliance with contractual and programmatic requirements with regard to funding provided to Friends of Louisiana Connections Academy. The determination of whether any instances of noncompliance that will ultimately result in remittance by Friends of Louisiana Connections Academy of any ineligible or disallowed costs cannot be presently determined.

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

We have audited the basic financial statements of Friends of Louisiana Connections Academy as of and for the year ended June 30, 2013, and have issued our report thereon dated November 26, 2013. 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. Our audit of the financial statements as of June 30, 2013 resulted in an unqualified opinion.

Section I **Summary of Auditors' Results**

1. Type of report issued on the financial statements: **Unmodified Opinion.**
2. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **No.** Material weaknesses: **No.**
3. Noncompliance which is material to the financial statements: **No.**
4. Significant deficiencies in internal control over major programs: **No.** Material weaknesses: **No.**
5. Type of report issued on compliance for major programs: **Unmodified.**
6. Any audit findings which are required to be reported under Section 501(a) of Circular A-133: **No.**
7. Major programs for the fiscal year ended June 30, 2013 were:

<u>CFDA No.</u>	<u>Name of Federal program</u>
84.010A	Title I – Part A
84.027A	Idea B
8. Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000.**
9. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: **No.**
10. A management letter was issued: **No.**

Section II **Financial Statement Findings**

None.

Section III **Federal Award Findings and Questioned Costs**

None.

REPORTS BY MANAGEMENT

FRIENDS OF LOUISIANA CONNECTIONS ACADEMY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

**Section I – Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control Over Financial Reporting

None.

Compliance and Other Matters

None.

Section II – Internal Control and Compliance Material to Federal Awards

Not audited as of June 30, 2012.

Section III – Management Letter

None.