

ENCORE LEARNING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1-2
<u>Financial Statements</u>	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
<u>Notes to Financial Statements</u>	7 - 9
<u>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</u>	10-11
<u>Schedule of Findings and Questioned Costs</u>	12
<u>Other Information</u>	
Independent Accountant's Report on Applying Agreed upon Procedures	13 - 16
Schedule Descriptions	17 - 18
Performance and Statistical Data	19 - 27

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Encore Learning
New Orleans, LA

Report on the Financial Statements

We have audited the accompanying financial statements of Encore Learning (a non-profit organization), which comprise the statements of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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.

Auditor's 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 of 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 auditor's judgment, including the assessment of the risk 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 Encore Learning as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The Performance and Statistical Data included in 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2013, on our consideration of Encore Learning's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* in considering Encore Learning's internal control over financial reporting and compliance.

Daigrepoint & Brian APAC

Baton Rouge, Louisiana
September 25, 2013

ENCORE LEARNING
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013

ASSETS

Current Assets

Cash	\$ 284,586
Accounts receivable, net	79,596
Prepaid expenses	<u>9,882</u>
Total Current Assets	<u>374,064</u>

Property and Equipment

Furniture and fixtures	8,993
Equipment	<u>233,842</u>
	242,835
Accumulated depreciation	<u>(23,971)</u>
Total Property and Equipment	<u>218,864</u>

Total Assets	<u>\$ 592,928</u>
--------------	-------------------

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 111,659
Accrued liabilities	99,073
Accrued wages and bonuses	94,796
Deferred revenue	59,539
Payroll liabilities	<u>40,143</u>
Total Current Liabilities	<u>405,210</u>

Net Assets

Unrestricted	<u>187,718</u>
Total Net Assets	<u>187,718</u>

Total Liabilities and Net Assets	<u>\$ 592,928</u>
----------------------------------	-------------------

The accompanying notes are an integral part of this statement.

ENCORE LEARNING
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2013

Revenues

Minimum Foundation Program	\$ 1,425,702
Federal grants	327,407
Private grants	250,000
Universal Service Fund	178,097
Other income	<u>6,607</u>
Total revenues	<u>2,187,813</u>

Expenses

Program services	1,806,124
Management and general	<u>159,372</u>
Total expenses	<u>1,965,496</u>

Increase in net assets	<u>222,317</u>
Net assets - beginning of year	<u>(34,599)</u>
Net assets - end of year	<u>\$ 187,718</u>

The accompanying notes are an integral part of this statement.

ENCORE LEARNING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	Program Service	Management and General	Total
Curriculum materials and software	\$ 51,004	\$ -	\$ 51,004
Depreciation	19,177	4,794	23,971
Employee benefits	85,452	4,202	89,654
Equipment and furniture	1,784	446	2,230
Food service	141,747	-	141,747
Insurance	15,739	3,935	19,674
Janitorial	46,300	11,575	57,875
Miscellaneous	2,398	599	2,997
Payroll taxes	70,091	2,829	72,920
Postage	2,323	-	2,323
Professional development	6,044	-	6,044
Recruiting	25,537	-	25,537
Rent	6,004	1,501	7,505
Repairs and maintenance	11,754	2,939	14,693
Salaries	893,309	47,163	940,472
Supplies	35,368	2,890	38,258
Technical and professional services	121,160	58,827	179,987
Telephone	28,401	7,100	35,501
Transportation	200,244	-	200,244
Utilities	42,288	10,572	52,860
Total Expenses	<u>\$ 1,806,124</u>	<u>\$ 159,372</u>	<u>\$ 1,965,496</u>

The accompanying notes are an integral part of this statement.

ENCORE LEARNING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Cash Flows from Operating Activities

Changes in net assets	\$ 222,317
<u>Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:</u>	
Depreciation	23,971
Increase in accounts receivable	(64,225)
Increase in prepaid expenses	(9,532)
Increase in accounts payable	72,386
Increase in accrued liabilities	261,553
Total adjustments	<u>284,154</u>
Net cash provided by operating activities	<u>506,470</u>

Cash Flows from Investing Activities

Purchase of property, plant and equipment	<u>(242,835)</u>
Net cash used by investing activities	<u>(242,835)</u>
Increase in Cash and Cash Equivalents	263,635
Cash and Cash Equivalents, Beginning of Year	<u>20,951</u>
Cash and Cash Equivalents, End of Year	<u>\$ 284,586</u>

The accompanying notes are an integral part of this statement.

ENCORE LEARNING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. Summary of Significant Accounting Policies

(a) Organization

Encore Learning (the School) began operations on June 19, 2009 in New Orleans, LA as a non-profit organization and on March 1, 2012 was granted full approval as a Type One charter by the Orleans Parish School Board. The School first opened for enrollment beginning in the 2012-2013 school year with approximately 180 students. The School operates under a charter in Orleans Parish that expires June 30, 2017 and may be renewed for successive periods of five years subject to a review by the Orleans School Board of the School's operations and compliance.

(b) Basis of Accounting

The financial statements of the School have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

(c) Revenues

The School receives the majority of its revenue from the Minimum Foundation Program (MFP) which passes through the Orleans Parish School Board. The amount of the MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes. The School also receives federal and private sector funding. Federal funds are passed through the Louisiana Department of Education or the Orleans Parish School Board.

(d) Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets

Unrestricted net assets are for general use with no restrictions.

Temporarily Restricted Net Assets

Temporarily restricted net assets can be expended currently, but only for a specified purpose designated by the grantor. There are no temporarily restricted net assets as of June 30, 2013.

Permanently Restricted Net Assets

Net assets permanently restricted for future use by the grantor or the board of directors. There are no permanently restricted net assets as of June 30, 2013.

(e) Cash

Cash consists of bank deposits held with financial institutions and cash on hand.

(f) Accounts and Grants Receivable

Management has determined that there were no balances recorded that were uncollectible as of June 30, 2013.

1. Summary of Significant Accounting Policies - Continued

(g) Functional Expenses

The School allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification.

(h) Income Taxes

The School accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The School files information returns in the U.S. federal jurisdiction and in various other states. The School is no longer subject to federal information return examinations by tax authorities for years before 2009.

(i) Use of Estimates

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

(j) Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclose through September 25, 2013, the date the financial statements were available to be issued.

2. Concentrations

The School receives the majority of its operating revenue from the State of Louisiana and the Orleans Parish School Board in the form of Minimum Foundation program funding. The School also receives grants from federal agencies and private foundations. The percentage of revenue and receivables from these sources is as follows:

	Revenue	Receivables
Minimum Foundation Program	65%	-
Federal Grants	15%	98%
Private Grants	11%	-

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. Amounts in excess of insured limits at June 30, 2013 were approximately \$34,000. The School does not believe that it is exposed to any significant credit risk on uninsured amounts.

3. **Leases**

The School occupies a building that is owned by the Orleans Parish School Board and the Recovery School District and therefore does not make any monthly lease payments. In exchange for occupying the building at no cost the School receives lower Minimum Foundation Program funding per student.

4. **Property and Equipment**

Property and equipment is presented in the financial statements on the basis of cost less allowances for depreciation. The School capitalizes all expenditures of depreciable assets where cost exceeds \$500. Depreciation is computed using the straight-line method and is provided over the estimated useful lives of the assets, which is generally three to five years.

All property and equipment purchased with Louisiana Department of Education funds are owned by the School. However, these assets would revert back to the Louisiana Department of Education should the charter not be renewed.

5. **Compensated Absences**

Employees earn vacation and sick pay based on various factors such as length of service and job title. Any unused vacation is paid out at the end of the year and does not carry over to the following year. Therefore, there are no compensated absences accrued at June 30, 2013.

6. **Retirement Plan**

The School offers a 403(b) retirement plan for eligible employees. Eligibility to participate in the plan is based on the employee's age, length of service, and various other factors. For those that are eligible Encore will match up to 5% of the employee's contributions. The School does not participate in the Teachers' Retirement System of Louisiana (TRSL).

For the year ended June 30, 2013 the amount paid related to the School's retirement plan was \$9,377.

7. **Commitments and Contingencies**

The School receives grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the School's management that its compliance with the terms of the grant will not result in any disallowed costs.

8. **Universal Service Fund**

Encore Learning participates in the Schools and Libraries Program of the Universal Service Fund, commonly known as E-rate. The program provides discounts to assist schools and libraries to obtain affordable telecommunication, internet access and certain technological equipment. Funding for this program comes from the Universal Service fee that is included on most telephone and cellular phone bills. Discounts range from 20% to 90% of eligible services and is based on the level of poverty and the urban/rural status of the population served.

Encore Learning receives a 90% discount on telecommunications, internet access, and technological equipment by participating in the program. Qualifying expenditures under the program for the year ended June 30, 2013 were \$196,414 which is recorded at the full amount in the financial statements. The amount of the discount, \$178,097, has been recorded as revenue.

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

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

Board of Directors
Encore Learning
Baton Rouge, Louisiana

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 Encore Learning, (a non-profit 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 September 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Encore Learning'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Encore Learning's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 the 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 Encore Learning'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*.

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 organization'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 organization'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.

Daigrepoint & Brian APAC

Baton Rouge, Louisiana
September 25, 2013

ENCORE LEARNING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

We have audited the financial statements of Encore Learning, as of June 30, 2013, and for the year then ended, and have issued our report thereon dated September 25, 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.

Summary of Auditor's Reports

Financial Statements

- | | |
|--|-------------|
| • Type of auditors' report issued: | Unqualified |
| • Material weakness(es) identified? | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | No |
| • Noncompliance material to financial statements noted? | No |

Finding – Financial Statement Audit

There are no findings for the year ended June 30, 2013.

Questioned Costs

There are no questioned costs for the year ended June 30, 2013.

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Encore Learning
New Orleans, LA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Encore Learning 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 Encore Learning and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Management of Encore Learning 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 and applicable standards of *Government Auditing Standards*. 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 supplemental information and are as follows:

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

Procedure #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 on the Schedule:

- Total General Fund 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

Results of Procedure #1

In performing the testing on the sample of expenditures/revenues we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount.

Education Levels of Public School Staff (Schedule 2)

Procedure #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 1st.

Results of Procedure #2

No differences were noted between the number of full-time classroom teachers per Schedule 4 and Schedule 2.

Procedure #3

We reconciled the 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.

Results of Procedure #3

No differences were noted between the number of principals and assistant principals per Schedule 4 and Schedule 2.

Procedure #4

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the Schedule. We traced a random sample of 13 teachers (Encore only had 13 full time teachers on October 1st) to the individual's personnel file and determined if the individual's education level was properly classified on the Schedule.

Results of Procedure #4

In our sample of 13 teachers no discrepancies existed between the education levels per the listing and the individual's personnel file.

Number and Type of Public Schools

Procedure #5

We obtained a list of schools by type as reported on the Schedule. We compared the list to the schools listed on the Public Charter School Program grant application.

Results of Procedure #5

We noted no discrepancies between the total number of schools as listed on the Public Charter School Program grant application and the list supporting the schools represented on the Schedule.

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

Procedure #6

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule and traced the same sample used in Procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the Schedule.

Results of Procedure #6

In our sample of 13 teachers no discrepancies existed between the education levels per the listing and the individual's personnel file.

Public School Staff Data: Average Salaries (Schedule 5)

Procedure #7

We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the Schedule and traced a random sample of 13 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.

Results of Procedure #7

In our sample of 13 teachers we noted consistency between the level of compensation that would be appropriate for the education and experience level per the district wide salary schedule and the amount actually paid per the list of all classroom teachers.

Procedure #8

We recalculated the average salaries and full-time equivalents reported on the Schedule.

Results of Procedure #8

No discrepancies existed between the average salaries reported on the Schedule and our calculations.

Class Size Characteristics (Schedule 6)

Procedure #9

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

Results of Procedure #9

No discrepancies were noted between the classes reported on the Schedule and those in the roll books.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

Procedure #10

Encore did not administer the LEAP test for the 2012-2013 school year as it did not have any 4th or 8th grade students.

Results of Procedure #10

Not applicable

Graduation Exit Examination (GEE) (Schedule 8)

Procedure #11

Encore Learning did not administer the GEE test as there were only elementary grade students enrolled in the 2012-2013 school year.

Results of Procedure #11

Not applicable.

iLeap Tests (Schedule 9)

Procedure #12

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported by Encore Learning.

Results of Procedure #12

No discrepancies existed between the test scores obtained from the testing authority and the scores reported by Encore Learning.

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

This report is intended solely for the use of management of Encore Learning, 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 Legislative Auditor as a public document.

Daignepon & Brian apac

Baton Rouge, Louisiana
September 25, 2012

ENCORE LEARNING
NEW ORLEANS, LA

Schedules Required by State Law (R.S. 24:514 – 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 certified and uncertified number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's, Master's, Master's +30, Specialist in Education, and Ph. D or Ed. D. Degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 – Number and Type of Public Schools

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

Schedule 4 – Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

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

Schedule 5 – Public School Staff Data: Average Salaries

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

Schedule 6 – Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

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, Proficient, 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 for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 – iLeap Tests

This schedule represents student performance testing data and includes a summary score for grades, 3, 5, 6, 7, and 9 for each category tested. The summary score reported is the percentile rank showing the 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.

**Encore Learning
New Orleans, LA**

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2013**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	562,021	
Other Instructional Staff Activities		25,090	
Instructional Staff Employee Benefits		98,297	
Purchased Professional and Technical Services		12,360	
Instructional Materials and Supplies		59,027	
Instructional Equipment		<u>256,553</u>	
Total Teacher and Student Interaction Activities			\$ 1,013,348

Other Instructional Activities

Pupil Support Services		28,209	
Less: Equipment for Pupil Support Services		<u>-</u>	
Net Pupil Support Services			28,209

Instructional Staff Services		56,974	
Less: Equipment for Instructional Staff Services		<u>-</u>	
Net Instructional Staff Services			56,974

School Administration		325,822	
Less: Equipment for School Administration		<u>-</u>	
Net School Administration			<u>325,822</u>

Total General Fund Instructional Expenditures (Total of Column B) \$ 1,424,353

Total General Fund Equipment Expenditures (Object 730; Function 1000-4000) \$ 256,553

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	\$		<u>-</u>

Local Earnings on Investment in Real Property:

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

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	\$		<u>-</u>

Nonpublic Textbook Revenue	\$	-	
Nonpublic Transportation Revenue	\$	<u>-</u>	

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

**Encore Learning
New Orleans, LA**

**Education Levels of Public School Staff
As of October 1, 2012**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than Bachelor's	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Bachelor's	4	44.44%	3	0.00%	0	0.00%	0	0.00%
Master's	2	22.22%	1	0.00%	1	100.00%	0	0.00%
Master's + 30	2	22.22%	0	0.00%	0	0.00%	0	0.00%
Specialist in Education	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Ph.D. or Ed.D.	1	11.11%	0	0.00%	0	0.00%	0	0.00%
Total	9	100.00%	4	0.00%	1	100.00%	0	0.00%

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

Encore Learning
New Orleans, LA

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 accompanying independent accountant's report on applying agreed-upon procedures

**Encore Learning
New Orleans, LA**

**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
Assistant Principals	0	0	0	0	0	0	0	0
Principals	0	0	0	0	1	0	0	1
Classroom Teachers	2	3	5	0	3	0	0	13
Total	2	3	5	0	4	0	0	14

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

**Encore Learning
Baton Rouge, Louisiana**

**Public School Staff Data
For the Year Ended June 30, 2013**

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salaries Including Extra Compensation	40,131	40,131
Average Classroom Teachers' Salaries Excluding Extra Compensation	38,631	38,631
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	13	13

Note: Figures reported include all sources of funding (i.e., federal, state and local) but exclude employee benefits.

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

**Encore Learning
New Orleans, LA**

**Class Size Characteristics
As of October 1, 2012**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	36.84%	14	39.47%	15	23.68%	9	0.00%	0
Elementary/Activity Classes	37.50%	12	37.50%	12	25.00%	8	0.00%	0
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

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

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

**Encore Learning
New Orleans, LA**

**Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2013**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8								
Advance	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	N/A	0%	N/A	0%	N/A	0%	N/A	0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8								
Advance	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	N/A	0%	N/A	0%	N/A	0%	N/A	0%

Note: Encore chartered in 2012-13 so no data reported for 2012.

Note: Encore did not have any 4th or 8th grade students for the 2013 school year.

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

Encore Learning
New Orleans, LA

**Graduation Exit Exam (GEE)
For the Year Ended June 30, 2013**

District Achievement Level Results	English Language Arts				Mathematics			
	2013		2012		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10								
Advance	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	N/A	0%	N/A	0%	N/A	0%	N/A	0%

District Achievement Level Results	Science				Social Studies			
	2013		2012		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11								
Advance	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	N/A	0%	N/A	0%	N/A	0%	N/A	0%

Note: Encore chartered in 2012-13 with K, 1st, 2nd, 3rd, & 5th grade only; no data reported for 2012 or 2013.

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

**Encore Learning
Baton Rouge, Louisiana**

**iLEAP Tests
For the Year Ended June 30, 2013**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	4%	2	8%	2	8%	0	0%
Mastery	4	16%	5	20%	3	12%	4	16%
Basic	5	20%	8	32%	8	32%	9	36%
Approaching Basic	8	32%	4	16%	7	28%	7	28%
Unsatisfactory	7	28%	6	24%	5	20%	5	20%
Total	25	100%	25	100%	25	100%	25	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	3	12%	2	8%	0	0%	1	4%
Mastery	3	12%	2	8%	3	12%	2	8%
Basic	10	40%	11	44%	12	48%	13	52%
Approaching Basic	4	16%	4	16%	5	20%	5	20%
Unsatisfactory	5	20%	6	24%	5	20%	4	16%
Total	25	100%	25	100%	25	100%	25	100%

Note: Encore chartered in 2012-13 so no data reported for 2012.

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