

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)**

**Financial Statements
June 30, 2011**

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 **FEB 01 2012**

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)**

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Silva Gurtner & Abney

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Institute for Academic Excellence
New Orleans, LA

We have audited the accompanying statement of financial position of the Institute for Academic Excellence (the Institute), d/b/a Sophie B. Wright Charter School (a non-profit corporation) as of June 30, 2011 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute for Academic Excellence as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2011 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Institute taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Silva Gurtner & Abney, LLC

December 28, 2011

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INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,073,685
Grants receivable	<u>110,040</u>
 Total current assets	 1,183,725

PROPERTY AND EQUIPMENT, net

482,544

OTHER ASSETS

Funds held on behalf of others	<u>177,294</u>
 Total other assets	 <u>177,294</u>

TOTAL ASSETS

\$ 1,843,563

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	98,402
Due to others	177,294
Line of credit	200,000
Current maturities of long-term debt	<u>45,703</u>
 Total current liabilities	 521,399

LONG-TERM DEBT, net of current maturities

38,642

NET ASSETS

Net assets – unrestricted	<u>1,283,522</u>
 Total net assets	 <u>1,283,522</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 1,843,563

See accompanying independent auditors' report and notes to financial statements.

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

REVENUES	
State public school funding	\$ 3,027,048
Other State funding	1,337
Federal sources	1,307,783
Other income	<u>53,078</u>
 Total revenues	 4,389,246
 EXPENSES	
Instruction	
Regular education programs	2,225,079
Special education programs	137,634
Other instructional programs	<u>114,695</u>
 Total instruction	 2,477,408
 Support services	
Pupil support services	183,512
Instructional staff services	275,268
School administration	596,413
Business services	137,634
Operation and maintenance	229,390
Student transportation service	458,780
Food services	229,390
Depreciation	<u>112,323</u>
 Total support services	 2,222,710
 Total expenses	 <u>4,700,118</u>
 CHANGE IN NET ASSETS	 (310,872)
 NET ASSETS - beginning of year	 <u>1,594,394</u>
 NET ASSETS - end of year	 <u><u>\$ 1,283,522</u></u>

See accompanying independent auditors' report and notes to financial statements.

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (310,872)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	112,323
Change in operating assets and liabilities:	
Accounts receivable	10,399
Grants receivable	197,164
Other assets	26,868
Accounts payable and accrued expenses	<u>54,322</u>
Net cash provided by operating activities	90,204
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(340,600)</u>
Net cash used in investing activities	<u>(340,600)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from line of credit	200,000
Proceeds from issuance of long-term debt	127,298
Principal payments on long-term debt	<u>(42,953)</u>
Net cash provided by financing activities	<u>284,345</u>
CHANGE IN CASH AND CASH EQUIVALENTS	33,949
CASH AND CASH EQUIVALENTS - beginning of year	<u>1,039,736</u>
CASH AND CASH EQUIVALENTS - end of year	<u><u>\$ 1,073,685</u></u>

See accompanying independent auditors' report and notes to financial statements.

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Institute for Academic Excellence d/b/a Sophie B. Wright Charter School (the Institute) was granted a charter by the State Board of Elementary and Secondary Education in 2004 to promote excellence in a caring environment and to prepare each student, in a partnership with parents and the community, to be a lifelong self-directed learner in a diverse society. The Institute for Academic Excellence is a Type 5 Charter School governed by a board of directors.

Income Tax Status – The Institute for Academic Excellence is a nonprofit organization exempt from federal and state income tax under Section 501(c)(3) of the United States Internal Revenue Code. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments to or disclosures in the financial statements.

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.

Public Support and Revenue – The Institute for Academic Excellence receives grant support primarily from the Louisiana State Department of Education. Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support or permanently restricted support that increase those net asset classes. When a temporary 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. The Institute for Academic Excellence had no temporarily or permanently restricted net assets as of June 30, 2011 arising from contributions.

Cash and Cash Equivalents – The Institute considers all unrestricted, highly liquid investments with an initial maturity of less than three months as cash and cash equivalents.

Property and Equipment – Property and equipment are capitalized at cost. It is the Institute’s policy to capitalize expenditures for these items in excess of \$5,000. Lesser amounts are expensed. Property and equipment is being depreciated over their estimated useful lives using the straight-line method, using the following lives:

Machinery and equipment	5 years
Leasehold improvements	5-10 years

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

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Change in Accounting Policy – During the year ended June 30, 2011, the School increased the amount to capitalize expenditures from \$1,000 to \$5,000 based on the recommendation from the Louisiana Department of Education.

NOTE B – CASH AND CASH EQUIVALENTS

At June 30, 2011, all cash and cash equivalents were on deposit at a local financial institution. At various times during the fiscal year, the Institute's cash in bank balances may exceed the federally insured limits. At June 30, 2011, the Institute's uninsured cash balances totaled \$970,678. The Institute has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

NOTE C – GRANTS RECEIVABLE

Grants receivable are deemed to be fully collectible by management; accordingly, no allowance for doubtful accounts is required. Grants receivable are comprised of the following at June 30, 2011:

U.S. Department of Education passed through the Louisiana Department of Education:		
IDEA Part B - Special Education	\$	10,827
Title I - Part A		29,394
Title IV		4,000
21 st Century Grant		28,241
Education Jobs Fund		<u>37,578</u>
Total grants receivable		<u>\$ 110,040</u>

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2011 consisted of the following:

Machinery and equipment	\$	245,467
Leasehold improvements		312,966
Vehicles		340,600
Less: accumulated depreciation		<u>(416,489)</u>
Total		<u>\$ 482,544</u>

Depreciation expense was \$112,323 for the year ended June 30, 2011.

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE E – RETIREMENT SYSTEM

Substantially all employees of the Institute are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel, are members of the Louisiana School Employees' Retirement System. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRSL)

Plan Description. The TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report and includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, LA 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent to their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The Institute is required to contribute at an actuarially determined rate. The current rate is 20.2 percent of annual covered payroll for all three membership plans. Starting July 1, 2011, the System rate was increased to 23.7%. Member contributions and employer's contributions for the TRSL are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The Institute's employer contribution for the TRSL, as provide by state law, is funded by the State of Louisiana through annual appropriations and by remittances from the Institute.

The Institute's contributions to the TRSL for the year ended June 30, 2011 were \$451,797; equal to the required contributions for this year.

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 44516, Baton Rouge, LA 70804, or by calling (225) 925-6484.

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE E – RETIREMENT SYSTEM, (continued)

Funding Policy. Effective July 1, 2010, plan members new to LSERS are required to contribute 8.0 percent and plan members prior to July 1, 2010 are required to contribute 7.5 percent or percent of their annual covered salary, and the Institute is required to contribute at an actuarially determined rate. The current rate is 6.0 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law, and rates are established by the Public Retirement System’s Actuarial Committee. The Institute’s employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The Institute’s contributions to the LSERS for the year ended June 30, 2011 were \$27,900; equal to the required contributions for this year.

NOTE F – COMPENSATED ABSENCES

Teachers and staff are allowed a maximum of 10 cumulative sick and/or personal days per year. These days will not carry over to the next year, but may, at the discretion of the Institute’s Board of Directors, be used for extended sick leave if an employee has a medical event that necessitates longer than 10 days of recovery, and permission is granted by the Board of Directors of the Institute for Academic Excellence. At the time of retirement, death or termination, no monies will be owed or paid to an employee for accumulated sick days. If an employee leaves the Institute to continue in another public school system, the accumulated days on record will be transferred to that system upon resignation from Institute for Academic Excellence.

NOTE G – FUNDS HELD ON BEHALF OF OTHERS

The Institute acts as a custodian for student activity bank accounts. Funds held on behalf of these groups amounted to \$177,294 at June 30, 2011 and are reported as both an asset (funds held on behalf of others) and a liability (due to others). Consequently, there is no effect on the Institute’s net assets.

NOTE H – NOTES PAYABLE

Long-term debt consisted of the following at June 30, 2011:

Note payable to a financial institution, collateralized by vehicles with interest based on the LIBOR rate	\$ 37,595
Note payable to a financial institution, collateralized by a vehicle with interest based on the LIBOR rate	46,750
Total debt	<u>84,345</u>
Less: current portion	(45,703)
Debt outstanding	<u>\$ 38,642</u>

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE H – NOTES PAYABLE, (continued)

Total debt outstanding at June 30, 2011, matures as follows:

2012	\$	45,703
2013		13,892
2014		11,000
2015		11,000
2016		2,750
	\$	<u>84,345</u>

NOTE I – LINE OF CREDIT

As of June 30, 2011, the Institute had a \$750,000 revolving line of credit of which \$550,000 was unused at June 30, 2011. Bank advances on the credit line are payable on demand and carry an interest rate equal to the Prime rate (3.25% at June 30, 2011). The credit line is secured by substantially all of the Institute's bank accounts.

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 28, 2011, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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

Silva Gurtner & Abney

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

To the Board of Directors
Institute for Academic Excellence
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 the Institute for Academic Excellence (d/b/a Sophie B. Wright Charter School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Institute for Academic Excellence 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 Institute for Academic Excellence is responsible for its performance and statistical data. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described 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)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue - not applicable,
- Total Local Earnings on Investment in Real Property - not applicable,
- Total State Revenue in Lieu of Taxes - not applicable,
- Nonpublic Textbook Revenue - not applicable, and
- Nonpublic Transportation Revenue - not applicable.

Findings: None

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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 school board supporting payroll records as of October 1st.

Findings: None

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 the schedule.

Findings: None

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 5 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Findings: None

Number and Type of Public Schools (Schedule 3)

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

Findings: None

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

6. We obtained a list of 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.

Findings: None

Public School Staff Data (Schedule 5)

7. We obtained a list of 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 5 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.

Findings: None

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 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.

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 Institute for Academic Excellence.

Findings: None

Graduation Exit Exam (GEE) (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Institute for Academic Excellence.

Findings: None

iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Institute for Academic Excellence.

Findings: None

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

This report is intended solely for the use of the management of the Institute for Academic Excellence, 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.

Silva Gurtner & Abney, LLC

December 28, 2011

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 1 - GENERAL FUND INSTRUCTIONAL AND SUPPORT
EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2011

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,170,413	
Other Instructional Staff Salaries	123,538	
Employee Benefits	429,480	
Purchased Professional and Technical Services	213,258	
Instructional Materials and Supplies	400,453	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	2,337,142

Other Instructional Activities

Pupil Support Services	183,512	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services	-	183,512

Instructional Staff Services	275,268	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	275,268

School Administration	596,413	
Less: Equipment for School Administration	-	
Net School Administration	-	596,413

Total General Fund Instructional Expenditures **\$ 3,392,335**

Total General Fund Equipment Expenditures **\$ -**

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

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 2 - EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
AS OF OCTOBER 1, 2010

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	1	14%	-	-		
Bachelor's Degree	15	68%	5	71%	1	33%		
Master's Degree	6	27%	1	14%	2	67%		
Master's Degree + 30	-	-	-	-	-	-		
Specialist in Education	-	-	-	-	-	-		
Ph. D. or Ed. D.	1	5%	-	-	-	-		
Total	22	100%	7	100%	3	100%		

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

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 3 - NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2011**

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

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

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 4 - EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT
PRINCIPALS AND FULL TIME CLASSROOM TEACHERS
AS OF OCTOBER 1, 2010**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	1	-	-	1	2
Principals	-	-	-	-	1	-	-	1
Classroom Teachers	5	4	10	4	2	3	1	29
Total	5	4	10	5	3	3	2	32

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

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 5 - PUBLIC SCHOOL STAFF DATA
FOR THE YEAR ENDED JUNE 30, 2011**

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	44,668	44,668
Average Classroom Teachers Salary Excluding Extra Compensation	42,870	42,870
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	28.5	28.5

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

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

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 6 - CLASS SIZE CHARACTERISTICS
AS OF OCTOBER 1, 2010

	Class Size Range							
	1-20		21-26		27-33		34+	
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle / Jr. High	33%	32	12%	12	2%	2	-	-
Middle / Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	28%	29	6%	6	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	11%	11	6%	6	2%	2	2%	2

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 independent accountants' report on applying agreed-upon procedures.

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 7 - LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)
FOR THE YEAR ENDED JUNE 30, 2011

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 4												
Advanced	N/A	N/A	N/A	N/A	0	0%	N/A	N/A	N/A	N/A	0	0%
Mastery	N/A	N/A	N/A	N/A	13	36%	N/A	N/A	N/A	N/A	5	14%
Basic	N/A	N/A	N/A	N/A	19	53%	N/A	N/A	N/A	N/A	21	58%
Approaching Basic	N/A	N/A	N/A	N/A	4	11%	N/A	N/A	N/A	N/A	8	22%
Unsatisfactory	N/A	N/A	N/A	N/A	0	0%	N/A	N/A	N/A	N/A	2	6%
Total	N/A	N/A	N/A	N/A	36	100%	N/A	N/A	N/A	N/A	36	100%

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 4												
Advanced	N/A	N/A	N/A	N/A	0	0%	N/A	N/A	N/A	N/A	3	8%
Mastery	N/A	N/A	N/A	N/A	1	3%	N/A	N/A	N/A	N/A	7	20%
Basic	N/A	N/A	N/A	N/A	21	58%	N/A	N/A	N/A	N/A	22	61%
Approaching Basic	N/A	N/A	N/A	N/A	11	31%	N/A	N/A	N/A	N/A	3	8%
Unsatisfactory	N/A	N/A	N/A	N/A	3	8%	N/A	N/A	N/A	N/A	1	3%
Total	N/A	N/A	N/A	N/A	36	100%	N/A	N/A	N/A	N/A	36	100%

Fiscal years noted as "N/A" were done so due to the Institute not providing the applicable grade level in that year.

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

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 7 - LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP), (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	0	0%	0	0%	2	3%	0	0%	0	0%
Mastery	12	16%	1	1%	3	3%	4	5%	0	0%	5	5%
Basic	35	45%	34	43%	42	39%	46	60%	42	52%	51	47%
Approaching Basic	29	38%	39	49%	55	50%	13	17%	26	33%	30	27%
Unsatisfactory	1	1%	6	7%	9	8%	12	16%	12	15%	23	21%
Total	77	100%	80	100%	109	100%	77	100%	80	100%	109	100%

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	0	0%	0	0%	1	1%	0	0%	0	0%
Mastery	8	10%	3	4%	8	7%	4	5%	2	2%	3	3%
Basic	34	44%	26	32%	45	41%	41	53%	33	41%	47	43%
Approaching Basic	25	32%	39	49%	30	28%	24	31%	25	31%	33	30%
Unsatisfactory	10	13%	12	15%	26	24%	7	9%	20	26%	26	24%
Total	77	100%	80	100%	109	100%	77	100%	80	100%	109	100%

(continued)

See independent accountants' report for applying agreed-upon procedures.

INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 8 - GRADUATION EXIT EXAM (GEE)
FOR THE YEAR ENDED JUNE 30, 2011

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	0	0%	0	0%	N/A	N/A	0	0%	1	6%	N/A	N/A
Mastery	6	8%	0	0%	N/A	N/A	3	4%	0	0%	N/A	N/A
Basic	43	60%	12	70%	N/A	N/A	37	53%	9	53%	N/A	N/A
Approaching Basic	19	26%	3	18%	N/A	N/A	15	21%	3	18%	N/A	N/A
Unsatisfactory	4	6%	2	12%	N/A	N/A	15	21%	4	23%	N/A	N/A
Total	72	100%	17	100%	N/A	N/A	70	100%	17	100%	N/A	N/A

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	0	0%	N/A	N/A	N/A	N/A	0	0%	N/A	N/A	N/A	N/A
Mastery	2	8%	N/A	N/A	N/A	N/A	1	4%	N/A	N/A	N/A	N/A
Basic	13	54%	N/A	N/A	N/A	N/A	15	63%	N/A	N/A	N/A	N/A
Approaching Basic	5	21%	N/A	N/A	N/A	N/A	5	21%	N/A	N/A	N/A	N/A
Unsatisfactory	4	17%	N/A	N/A	N/A	N/A	3	13%	N/A	N/A	N/A	N/A
Total	24	100%	N/A	N/A	N/A	N/A	24	100%	N/A	N/A	N/A	N/A

Fiscal years noted as "N/A" were done so due to the Institute not providing the applicable grade level in that year.

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

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 9 - iLEAP TESTS
FOR THE YEAR ENDED JUNE 30, 2011**

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Fiscal years noted as "N/A" were done so due to the Institute not providing the applicable grade level in that year.

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

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 9 - iLEAP TESTS, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 5												
Advanced	N/A	N/A	0	0%	0	0%	N/A	N/A	0	0%	2	4%
Mastery	N/A	N/A	3	7%	6	12%	N/A	N/A	3	7%	4	8%
Basic	N/A	N/A	20	47%	28	57%	N/A	N/A	22	51%	25	51%
Approaching Basic	N/A	N/A	15	35%	9	19%	N/A	N/A	6	14%	11	23%
Unsatisfactory	N/A	N/A	5	11%	6	12%	N/A	N/A	12	28%	7	14%
Total	N/A	N/A	43	100%	49	100%	N/A	N/A	43	100%	49	100%

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 5												
Advanced	N/A	N/A	0	0%	2	4%	N/A	N/A	0	0%	0	0%
Mastery	N/A	N/A	4	9%	1	2%	N/A	N/A	1	2%	3	6%
Basic	N/A	N/A	19	44%	16	33%	N/A	N/A	21	50%	16	33%
Approaching Basic	N/A	N/A	18	42%	23	47%	N/A	N/A	10	24%	18	37%
Unsatisfactory	N/A	N/A	2	5%	7	14%	N/A	N/A	10	24%	12	24%
Total	N/A	N/A	43	100%	49	100%	N/A	N/A	42	100%	49	100%

Fiscal years noted as "N/A" were done so due to the Institute not providing the applicable grade level in that year.

(continued)

See independent accountants' report for applying agreed-upon procedures.

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 9 - ILEAP TESTS, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6												
Advanced	0	0%	0	0%	0	0%	1	2%	1	2%	0	0%
Mastery	10	18%	5	9%	0	0%	5	9%	2	3%	7	14%
Basic	22	39%	30	51%	35	67%	35	61%	30	51%	26	50%
Approaching Basic	7	12%	19	32%	14	27%	14	25%	15	25%	8	15%
Unsatisfactory	18	32%	5	8%	3	6%	2	4%	11	19%	11	21%
Total	57	100%	59	100%	52	100%	57	100%	59	100%	52	100%

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6												
Advanced	0	0%	1	2%	0	0%	0	0%	1	2%	0	0%
Mastery	5	9%	10	17%	3	6%	9	16%	2	3%	0	0%
Basic	32	56%	31	52%	28	54%	30	53%	21	36%	21	41%
Approaching Basic	18	32%	16	27%	17	33%	10	18%	26	44%	22	42%
Unsatisfactory	2	4%	1	2%	4	7%	8	14%	9	15%	9	17%
Total	57	100%	59	100%	52	100%	57	100%	59	100%	52	100%

(continued)

See independent accountants' report for applying agreed-upon procedures.

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE 9 - ILEAP TESTS, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7												
Advanced	2	3%	2	3%	0	0%	0	0%	4	6%	0	0%
Mastery	6	9%	5	8%	6	8%	3	5%	4	6%	0	0%
Basic	36	55%	44	70%	39	55%	33	50%	38	60%	35	49%
Approaching Basic	20	30%	11	17%	21	30%	20	30%	11	18%	25	35%
Unsatisfactory	2	3%	1	2%	5	7%	10	15%	6	10%	11	16%
Total	66	100%	63	100%	71	100%	66	100%	63	100%	71	100%

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7												
Advanced	0	0%	0	0%	0	0%	1	2%	0	0%	0	0%
Mastery	12	18%	11	17%	12	17%	5	8%	2	3%	2	3%
Basic	41	63%	33	53%	41	58%	34	52%	23	37%	39	55%
Approaching Basic	11	17%	16	25%	13	18%	16	25%	24	38%	24	34%
Unsatisfactory	1	2%	3	5%	5	7%	9	14%	14	22%	6	8%
Total	65	100%	63	100%	71	100%	65	100%	63	100%	71	100%

(continued)

See independent accountants' report for applying agreed-upon procedures.

INFORMATION REQUIRED BY OMB CIRCULAR A-133

Silva Gurtner & Abney

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Brent A. Silva, CPA
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*Limited Liability Companies

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
Institute for Academic Excellence
New Orleans, LA

We have audited the financial statements of the Institute for Academic Excellence d/b/a Sophie B. Wright Charter School (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Institute for Academic Excellence's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute for Academic Excellence's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Institute for Academic Excellence's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. [See finding 2011-01] 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Institute for Academic Excellence'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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item [See finding 2011-01].

The Institute for Academic Excellence's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Institute for Academic Excellence's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Silva Gurtner & Alney, LLC

December 28, 2011

Silva Gurtner & Abney

Certified Public Accountants & Consultants

Brent A. Silva, CPA
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Thomas A. Gurtner, CPA*
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Institute for Academic Excellence
New Orleans, LA

Compliance

We have audited the Institute for Academic Excellence d/b/a Sophie B. Wright Charter School'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 the Institute for Academic Excellence's major federal programs for the year ended June 30, 2011. The Institute for Academic Excellence's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Institute of Academic Excellence's management. Our responsibility is to express an opinion on the Institute for Academic Excellence's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Institute for Academic Excellence's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Institute for Academic Excellence's compliance with those requirements.

In our opinion, the Institute for Academic Excellence complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2011-01.

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Internal Control over Compliance

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

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

The Institute for Academic Excellence's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Institute for Academic Excellence's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Silva Gurtner & Abney, LLC

December 28, 2011

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Federal Expenditures
United States Department of Education		
Pass-through the Orleans Parish School Board		
Title I Part A-Improving the Academic Achievement of the Disadvantaged	84.010A	\$ 415,169
ARRA - Title I Part A - Improving the Academic Achievement of the Disadvantaged	84.389A	5,072
Title II Part A - Teacher and Principal Training and Recruiting	84.367A	58,199
Title IV Part A - Safe and Drug-Free Schools	84.186A	4,000
Individuals with Disabilities Education Act (IDEA) Part B	84.027A	93,572
ARRA - Individuals with Disabilities Education Act (IDEA) Part B	84.391A	52,246
Twenty-First Century Community Learning Centers	84.287A	312,816
Education Jobs Fund	84.410A	65,947
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	12,412
United States Department of Agriculture		
Pass-through the Louisiana Department of Education		
National School Lunch Program	10.555	164,292
School Breakfast Program	10.553	106,622
Child and Adult Care Food Program	10.558	<u>17,436</u>
Total Expenditures of Federal Awards		<u>\$ 1,307,783</u>

Note A - Summary of Significant Accounting Policies

Basis of Presentation – The accompanying schedule of expenditures of federal awards includes the federal grant activity of Institute for Academic Excellence d/b/a Sophie B. Wright Charter School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
Material weaknesses identified?	_____	yes	_____ <u>X</u> no
Significant deficiencies identified not considered to be material weaknesses?	_____ <u>X</u>	yes	_____ none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <u>X</u> no

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	_____	yes	_____ <u>X</u> no
Significant deficiencies identified not considered to be material weaknesses?	_____ <u>X</u>	yes	_____ none reported
Type of auditors' report issued on compliance for major programs:	Unqualified		

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	_____ <u>X</u>	yes	_____ <u>X</u> no
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Identification of major programs:

CFDA Numbers

84.010A Title I Part A-Improving the Academic Achievement of the Disadvantaged
84.389A ARRA - Title I Part A - Improving the Academic Achievement of the Disadvantaged
84.287A Twenty-First Century Community Learning Centers
84.410A Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs:	_____ <u>\$ 300,000</u>		
Auditee qualified as low-risk audit?	_____	yes	_____ <u>X</u> no

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section II - Internal Control and Compliance - *Governmental Auditing Standards*

2011-01 – Accounts not reconciled timely and accurately

Criteria: All accounts should be reconciled timely and accurately.

Condition: All accounts should be reconciled on a regular basis, including bank accounts, payable accounts, and grant expenditures accounts.

Cause: Transactions entered incorrectly by prior personnel caused the bank accounts reconciliations, payable accounts, and grant expenditure accounts to be inaccurate. Several changes in the budget director position caused a delay in the reconciliation of the accounts.

Effect: The effect of this condition is that the audit process was significantly delayed in order to correct the bank account reconciliations, payable accounts, and grant expenditures accounts.

Recommendation: The Institute should accurately reconcile all accounts on a regular basis.

Management's corrective action plan: The Institute's is working to increase controls over finance department and will ensure that the 2012 accounts are reconciled timely and accurately.

Section III - Internal Control and Compliance - Major Federal Programs

**Title I Part A-Improving the Academic Achievement of the Disadvantaged – CFDA No. 84.010A
ARRA - Title I Part A - Improving the Academic Achievement of the Disadvantaged– CFDA
No. 84.389A**

**Twenty-First Century Community Learning Centers – CFDA No. 84.287A
Education Jobs Fund – CFDA No. 84.410A**

See finding 2011-01 above.

**INSTITUTE FOR ACADEMIC EXCELLENCE
(d/b/a SOPHIE B. WRIGHT CHARTER SCHOOL)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

Section II - Internal Control and Compliance - *Governmental Auditing Standards*

2010-01 – Timely submission of report

Condition: Certain required documentation was not available for the audit on a timely basis. Accordingly, certain aspects of field work did not commence in time to complete the audit within the time frame prescribed by the Louisiana Audit Law.

Recommendation: The Institute should remain in compliance with the State Law governing audit engagement completion.

Current Status: The audit was completed within the time frame prescribed by the Louisiana Audit Law. No similar findings were noted in the 2011 audit.

2010-02 – Bank accounts not reconciled in a timely and accurately

Condition: The operating bank account was not reconciled accurately and the Student Activity Funds bank account was not reconciled prior to the beginning of the audit.

Recommendation: The Institute should accurately reconcile all bank accounts monthly.

Current Status: The Institute's new budget director did not ensure that the 2011 bank reconciliations are prepared timely and accurately. A similar finding was noted in the 2011 audit.

Section III - Internal Control and Compliance - Major Federal Programs

No findings or questioned costs for the year ended June 30, 2010.