

Financial Report

*Advocates for Academic Excellence
in Education, Inc.*

d/b/a

Benjamin Franklin High School

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 NOV 09 2011

TABLE OF CONTENTS

**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School
New Orleans, Louisiana**

June 30, 2011

	<u>Page Number</u>
Financial Section	
Independent Auditor's Report	1 - 2
Exhibits	
A - Statement of Financial Position	3
B - Statement of Activities	4
C - Statement of Cash Flows	5
D - Notes to Financial Statements	6 - 19
Special Report of Certified Public Accountants	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	20 - 21
Schedule of Findings and Responses	22 - 23
Reports By Management	
Schedule of Prior Year Findings and Questioned Costs	24 - 25
Management's Corrective Action Plan on Current Year Findings	26

TABLE OF CONTENTS - Continued

Page
Number

Schedules Required by State Law (R.S. 24:524 - Performance and Statistical Data) (Unaudited)

Independent Accountant's Report on Applying Agreed Upon Procedures 27 - 30

Schedule

1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	31 - 32
2 - Education Levels Of Public School Staff	33
3 - Number And Type Of Public Schools	34
4 - Experience Of Public Principals, Assistant Principals, And Full Time Classroom Teachers	35
5 - Public School Staff Data: Average Salaries	36
6 - Class Size Characteristics	37
7 - Louisiana Educational Assessment Program (LEAP)	38
8 - Graduation Exit Examination (GEE)	39 - 40
9 - IOWA and iLeap Tests	41

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School,
New Orleans, Louisiana.

We have audited the accompanying statement of financial position of Advocates for Academic Excellence in Education, Inc. d/b/a Benjamin Franklin High School (the "School"), 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 School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 Advocates for Academic Excellence in Education, Inc. d/b/a Benjamin Franklin High School 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 September 27, 2011, on our consideration of Advocates for Academic Excellence in Education, Inc. d/b/a Benjamin Franklin High School's internal control over financial reporting and on our test 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
September 27, 2011.

STATEMENT OF FINANCIAL POSITION

Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School
 New Orleans, Louisiana

June 30, 2011

ASSETS

Cash	\$ 888,566
Grants receivable	271,883
Property and equipment, net	285,738
Prepaid expenses	37,767
Unconditional promise to give - net	<u>5,725</u>
Total assets	<u><u>\$ 1,489,679</u></u>

LIABILITIES

Accounts payable	\$ 103,462
Obligation under capital lease	53,996
Accrued expenses	<u>2,432</u>
Total liabilities	<u>159,890</u>

NET ASSETS

Unrestricted	1,074,251
Temporarily restricted	135,576
Permanently restricted	<u>119,962</u>
Total net assets	<u>1,329,789</u>
Total liabilities and net assets	<u><u>\$ 1,489,679</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School
 New Orleans, Louisiana

For the year ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Revenues and Other Support				
Contributions	\$ 133,189	\$ 122,322	\$ 112,962	\$ 368,473
Grants:				
Federal	297,124			297,124
State - Minimum Foundation Program	2,568,880			2,568,880
Local - Minimum Foundation Program	2,513,839			2,513,839
Other	84,428			84,428
Student activity fees	651,850			651,850
Other revenue	13,393			13,393
In-Kind donations	74,833			74,833
Net assets released from restrictions	89,006	(89,006)		-
	<u>6,426,542</u>	<u>33,316</u>	<u>112,962</u>	<u>6,572,820</u>
Total revenues and other support				
Expenses				
Salaries	3,633,571			3,633,571
Employee benefits	964,128			964,128
Student activities expense	661,348			661,348
Repairs and maintenance	437,346			437,346
Professional services	274,729			274,729
Supplies	173,231			173,231
Utilities	160,736			160,736
Other expenses	104,343			104,343
Depreciation	99,780			99,780
Payroll taxes	71,219			71,219
Insurance	54,904			54,904
Expendable furniture and fixtures	49,472			49,472
Food services	19,710			19,710
Loss on disposal of assets	7,603			7,603
	<u>6,712,120</u>	<u>-</u>	<u>-</u>	<u>6,712,120</u>
Total expenses				
Increase (decrease) in net assets	(285,578)	33,316	112,962	(139,300)
Net Assets				
Beginning of year	<u>1,359,829</u>	<u>102,260</u>	<u>7,000</u>	<u>1,469,089</u>
End of year	<u>\$ 1,074,251</u>	<u>\$ 135,576</u>	<u>\$ 119,962</u>	<u>\$ 1,329,789</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School
 New Orleans, Louisiana

For the year ended June 30, 2011

Cash Flows From Operating Activities

Decrease in net assets	\$ (139,300)
Adjustments to reconcile decrease in net assets to cash provided by operating activities:	
Depreciation	99,780
Loss on disposal of assets	7,603
Contributions restricted for endowment purposes	(112,962)
(Increase) decrease in assets:	
Grants receivable	185,898
Unconditional promises to give	(1,500)
Prepaid expenses	(15,187)
Increase in liabilities:	
Accounts payable and accrued expenses	7,871
Net cash provided by operating activities	32,203

Cash Flows From Investing Activities

Property and equipment purchases	(73,617)
----------------------------------	----------

Cash Flows From Financing Activities

Repayment of capital lease obligation	(23,758)
Collections of endowment gifts	112,962
Net cash provided by financing activities	89,204

Net Increase in Cash

47,790

Cash

Beginning of year	840,776
End of year	\$ 888,566

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School
New Orleans, Louisiana**

June 30, 2011

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization**

Advocates for Academic Excellence in Education, Inc. d/b/a Benjamin Franklin High School (the "School"), incorporated on October 25, 2005, is an educational institution organized to improve student learning, increase learning opportunities for all students, encourage the use of innovative teaching methods, be more thoroughly accountable for education results, and create new professional opportunities for teachers and other school employees.

The Orleans Parish School Board (OPSB) approved the granting of a charter to the School effective January 1, 2006 for a period ending on December 31, 2011, to operate a Type 3 Charter School, as defined in LA R.S.17:3973(3)(b). On June 21, 2011, the OPSB voted to renew the charter for a period of 10 years, expiring on June 30, 2021.

b. Basis of Accounting

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

c. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Cash and Cash Equivalents

Cash consists of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified specific use of the contribution.

The School classifies as cash and cash equivalents all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. The School did not have any cash equivalents as of June 30, 2011.

e. Grants Receivable

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

f. Promises To Give

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

All unconditional promises to give are recognized as assets and revenues. Management believes that all unconditional promises to give are collectable.

g. Property, Equipment, and Depreciation

Additions to physical plant and facilities with a cost greater than \$5,000 are capitalized. Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Compensated Absences

All 10 month employees are provided 10 days of paid leave per year to be used for illness or personal leave. All 11 month employees receive 11 days of paid leave for illness or personal leave. All 12 month employees who are not members of the executive cabinet receive 10 days of paid leave for illness or personal leave and 15 vacation days; members of the executive cabinet receive 10 days for illness or personal leave and 20 vacation days per year. Personal time off is allocated July 1st of each year and is available through June 30th of the following year. Any unused time up to 10 days is reported to the Teacher's Retirement Services of Louisiana, but is not allowed to be accumulated between fiscal years.

i. Contributions and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when earned under the terms of the grant.

j. In-Kind Support

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. In-kind support was \$74,833 for the year ended June 30, 2011 and included donations of musical instruments, books, equipment, and other items.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Financial Statement Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Unrestricted Net Assets - Support, revenues, and expenses for the general operation of the School.

Temporarily Restricted Net Assets - Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period.

Permanently Restricted Net Assets - Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by the School. Generally, the donors of these assets permit the School to use all or part of the income derived from the investment of these contributions.

l. Tax Matters

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to Federal income tax unless the School has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of June 30, 2011, the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years June 30, 2008 and later remain subject to examination by the taxing authorities.

m. Allocated Expenses

The costs of providing the various programs and other activities are summarized in Note 10. Certain expenses have been allocated among the programs and supporting services based on management's estimate of costs involved.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Fundraising Expenses

All expenses associated with fundraising activities are expensed as incurred, including those expenses related to fundraising appeals in a subsequent year.

o. New Accounting Pronouncement

In accordance with FASB ASC 958-205 and subsections (formerly FASB Staff Position No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*), the School has determined it is subject to the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"), which requires the School to classify a portion of a donor-restricted endowment fund of perpetual duration as permanently restricted net assets, unless stated otherwise in the gift instrument by the donor. FASB ASC 958-205 is effective for years ending after December 15, 2008.

Originally, the School followed guidance provided by the Uniform Management of Institutional Funds Act as ("UMIFA") as Louisiana had not yet adopted UPMIFA. Effective July 1, 2010, Louisiana adopted a version of UPMIFA which is now followed by the School. The adoption of FASB ASC 958-205 and the subsequent change in guidance from UMIFA to UPMIFA had no material impact on the net asset classification of the School.

p. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 27, 2011, which is the date the financial statements were available to be issued.

Note 2 - RESTRICTIONS ON ASSETS

Temporarily restricted net assets are restricted by donors for specific programs, purposes, or to assist specific departments of the School. These restrictions are considered to expire when payments for restricted purposes are made. None of the temporarily restricted net assets are time-restricted by donors.

Note 2 - RESTRICTIONS ON ASSETS (Continued)

Temporarily restricted net assets as of June 30, 2011 are available for the following purposes:

Technology	\$ 38,260
Curriculum	28,585
School Leadership	20,001
Clubs	12,160
Professional development	9,700
Maintenance	8,000
Cafeteria	5,000
Pupil support	3,991
Other	3,432
Summer programs	3,247
Reunion gifts	<u>3,200</u>
Total	<u><u>\$ 135,576</u></u>

Permanently restricted net assets of \$119,962 as of June 30, 2011 relate to an operating endowment to be held in perpetuity. The income from endowment investments is expendable for operations.

Note 3 - PROPERTY AND EQUIPMENT

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

Machinery and equipment	\$ 432,799
Site improvements	90,066
Building and building improvements	<u>55,613</u>
	578,478
Less accumulated depreciation	<u>(292,740)</u>
Total	<u><u>\$ 285,738</u></u>

Depreciation expense for the year ended June 30, 2011 totaled \$99,780.

Note 4 - CAPITAL LEASE OBLIGATIONS

Effective August 1, 2010, the School entered into a capital lease obligation for 75 computers at an interest rate of 8.58%. The lease term is for three years and annual payments total \$28,162. As of June 30, 2011, the following is a schedule of capitalized cost and accumulated depreciation of the computers acquired through the capital lease:

Capitalized costs	\$ 77,754
Accumulated depreciation	<u>(23,758)</u>
Net book value	<u>\$ 53,996</u>

Depreciation expense on the computers acquired through the capital lease totaled \$23,758 for the year ended June 30, 2011.

Future minimum payments under the capital lease as of June 30, 2011 are as follows:

<u>Year Ended June 30,</u>	
2012	\$ 28,162
2013	28,162
2014	<u>2,325</u>
Total future payments	58,649
Less amount representing interest	<u>(4,653)</u>
Present value of net future payments	<u>\$ 53,996</u>

Interest expense for the capital lease obligation totaled \$2,078 for the year ended June 30, 2011.

Note 5 - COMMITMENTS

The School has employment contracts as is standard in the field of education with most of its employees and which expire July 31, 2011. Additionally, the School has an employment contract with an employee through June 30, 2013. All contracts provide for a minimum annual salary and benefits provided to full-time employees. As of June 30, 2011, the total commitment was approximately \$324,000.

Note 6 - ENDOWMENT FUND

The Endowments. The School's endowment fund was established primarily for the purpose of maintaining the School and consists of donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The School has interpreted the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies as permanently restricted net assets:

- the original value of gifts donated to the permanent endowment,
- the original value of subsequent gifts to the permanent endowment, and
- accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the School in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the School considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the School and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the School
- The investment policies of the School

Note 6 - ENDOWMENT FUND (Continued)

Endowment net asset composition as of June 30, 2011 is as follows:

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted funds	\$ -	\$ -	\$ 119,962	\$ 119,962

Changes in endowment net assets for the year ended June 30, 2011 are as follows:

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Net assets, beginning of the year	\$ -	\$ -	\$ 7,000	\$ 7,000
Contributions			112,962	112,962
Net assets, end of year	\$ -	\$ -	\$ 119,962	\$ 119,962

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or UPMIFA requires the School to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations. There were no such deficiencies as of June 30, 2011.

Return Objectives and Risk Parameters. Upon accumulating \$500,000 in contributions in the endowment fund, the endowment will be invested with the intention of obtaining general market returns with a minimum amount of investment and management expenses.

Strategies Employed for Achieving Objectives. The investment funds are invested in an interest bearing savings account.

Spending Policy and How Investment Objectives Relate to the Spending Policy. Spending of interest earned by the endowment funds is generally related to the operation of the School.

Note 7 - RETIREMENT PLAN

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

Participants are required to contribute 8% of their annual covered payroll to the plan and the School is required to contribute 20.2% of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee. For the year ended June 30, 2011, the School contributions to this plan totaled \$681,104.

Note 8 - GRANTS

The United States Department of Education passed through a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient to provide funding to provide compensation and benefits and other expenses, such as support services, to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide educational and related services. For the year ended June 30, 2011, the School recognized revenue under this grant of \$106,024.

The Federal Emergency Management Administration (FEMA) passed through a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to assist the School in covering expenditures incurred to repair and replace property and equipment damaged as a result of Hurricane Katrina. For the year ended June 30, 2011, the School recognized revenue under this grant of \$82,238.

Note 8 - GRANTS (Continued)

The United States Department of Education passed through a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to increase academic achievement through strategies such as improving teacher and principal quality and increase the number of highly qualified teachers, principals, and assistant principals. The grant funds must be used to assist schools in effectively recruiting and retaining highly qualified teachers, to make available professional development activities that address subject matter knowledge and other activities. For the year ended June 30, 2011, the School recognized revenue under this grant of \$62,780.

The United States Department of Education passed through a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to help ensure that all children meet challenging state academic standards. The grant funds must be used to provide additional academic support and learning opportunities to help low-achieving children master challenging curricula and meet state standards in core academic subjects. For the year ended June 30, 2011, the School recognized revenue under this grant of \$27,360.

The United States Department of Education passed through a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to provide funding to help recruit, retain, and compensate educators who commit to work for at least three years in an area in which a major disaster area was declared as a result of Hurricane Katrina or Hurricane Rita. For the year ended June 30, 2011, the School recognized revenue under this grant of \$18,722.

The State of Louisiana provides funding which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. This state-funded per pupil allocation is based on the most recently approved minimum foundation program formula resolution. For the year ended June 30, 2011, the School recognized revenue under this grant of \$2,568,880.

The Orleans Parish School Board (OPSB) provides funding which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. Revenues received by OPSB from sales tax revenues, ad valorem taxes, and other sources are allocated to each school based on its enrollment. For the year ended June 30, 2011, the School recognized revenue under this grant of \$2,513,839.

Note 9 - SCHOOL OPERATIONS/LEASEHOLD INTEREST

Effective January 1, 2006, the School entered into an agreement with the Orleans Parish School Board (OPSB), which allows the School to use the facilities and its contents located at 2001 Leon C. Simon Boulevard or any other locations as may be approved by the School and OPSB. The agreement expires on December 31, 2011. On June 21, 2011, the OPSB voted to renew the agreement for a period of 10 years.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations and rules. If capital improvements are made by the School with non-public funds to any site which it operates, and the charter contract is revoked or terminated, the School will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to the OPSB at the time this agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

Use of the property is not recorded as an in-kind contribution from the OPSB and related rent expense. The value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

Note 10 - FUNCTIONAL ALLOCATION OF EXPENSES

Expenses have been reported on the statement of activities by natural classification. To present expenses by functional classifications, expenses are charged to program services and supporting services (management and general expense and fundraising expense) based on management's estimate of periodic time and expense evaluations. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the School.

Total expenses for the year ended June 30, 2011 are allocated as follows:

Program Services	\$ 5,813,895
Supporting Services:	
Management and general	763,145
Fundraising	<u>135,080</u>
Total expenses	<u><u>\$ 6,712,120</u></u>

Note 11 - RISK MANAGEMENT

The School is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the year ended June 30, 2011.

Note 12 - BANK LINE OF CREDIT

The School maintained a line of credit of \$100,000 with a local financial institution with variable rate of interest at the Wall Street Journal prime rate (3.25% as of June 30, 2011) due on demand. The line of credit is secured by the savings account of the School, which is held by the same financial institution. As of June 30, 2011, the School had no outstanding borrowing under the line of credit and the full amount of the line of credit was available to the School.

Note 13 - CONCENTRATIONS OF RISK

The School received a substantial amount of its revenue through grants awarded by the federal, state, and local governments which total approximately \$5,380,000, or 82% of total revenue.

All of the students and employees of the School live in the Greater New Orleans area.

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School has a written policy for custodial credit risk. As of June 30, 2011, the School's bank balances of approximately \$929,000 were fully insured by the Federal Deposits Insurance Corporation (FDIC), which covers the total balance of non-interest bearing accounts and up to \$250,000 of interest bearing accounts per financial institution. In addition, a portion of the balances are collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School's name.

As of June 30, 2011, cash was adequately collateralized by securities held by unaffiliated banks for the account of the School. The Financial Accounting Standards Board (FASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the FDIC insured accounts are not considered subject to custodial credit risk under the provisions of FASB ASC 825, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand, should the need arise.

Note 14 - SUPPLEMENTAL CASH FLOW INFORMATION

Non cash financing and investing activities include \$77,754 of equipment acquired through a capital lease entered into during the year ended June 30, 2011.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**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,
Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School,
New Orleans, Louisiana.

We have audited the financial statements of Advocates for Academic Excellence in Education, Inc. d/b/a Benjamin Franklin High School (the "School"), as of June 30, 2011 and for the year then ended, and have issued our report thereon, dated September 27, 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 School's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A deficiency in internal controls 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 significant deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as 11-01 to be a material weakness.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified.

Compliance and Other Matters

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

The School's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the School's response and, accordingly, we express no opinion on it.

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

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
September 27, 2011.

SCHEDULE OF FINDINGS AND RESPONSES

**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School
New Orleans, Louisiana**

For the year ended June 30, 2011

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness? yes none reported

Noncompliance material to financial statements noted? yes no

b) Federal Awards

The School did not expend more than \$500,000 in federal awards during the year ended June 30, 2011, and therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

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

Internal Control Over Financial Reporting

11-01 Financial Reporting and Accounting

Criteria - Adequate internal controls relating to monitoring the financial condition and operations of the School, require that all general ledger accounts be reconciled on a regular basis and all financial activity be recorded on a timely basis.

Condition - The School did not reconcile certain general ledger accounts on a regular basis throughout the 2011 fiscal year.

Cause - The School did not record certain transactions in the general ledger on a timely basis, which resulted in the misstatement of account balances.

Effect - Without an adequate reconciliation process in place, the financial statements could potentially be materially misstated and could result in possible irregularities.

Recommendation - The School should refine internal control procedures to ensure that all general ledger accounts are being reconciled on a monthly basis and that all financial activity is recorded on a timely basis.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2011.

Section III - Internal Control and Compliance Material to Federal Awards

Internal Control/Compliance

The School did not expend more than \$500,000 in Federal awards during the year ended June 30, 2011 and, therefore, was exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

REPORTS BY MANAGEMENT

**SCHEDULE OF PRIOR YEAR FINDINGS AND
QUESTIONED COSTS**

**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School
New Orleans, Louisiana**

For the year ended June 30, 2011

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

Internal Control Over Financial Reporting

10-01 Financial Reporting and Accounting

Recommendation - The School should implement internal control procedures to ensure that financial statements are prepared on a monthly basis, that includes all monthly activity including the student activities fees, accrued revenues, and accrued expenses, and that all reconciliations are prepared on monthly basis, including bank reconciliations.

Management's Corrective Action - Partially resolved. The School is preparing financial statements on a monthly basis for presentation to the Board, however, not all accounts are being reconciled on a monthly basis.

10-02 Grant Receivable

Recommendation - The School should record the grant receivable balance from the reimbursement request forms. The grant receivable account should be reconciled on a monthly basis and the reconciliation should be documented as approved by management.

Management's Corrective Action - Resolved. These procedures were implemented and internal controls strengthened.

Section II - Federal Award Findings and Questioned Costs

Internal Control

Financial statement findings related to internal control 10-01 and 10-02 are also considered findings related to federal awards internal control.

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2011.

Section III - Management Letter

A management letter was not issued in connection with the audit year ended June 30, 2011.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School
New Orleans, Louisiana

For the year ended June 30, 2011

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

Internal Control Over Financial Reporting

11-01 Financial Reporting and Accounting

Recommendation - The School should refine internal control procedures to ensure that all general ledger accounts are being reconciled on a monthly basis and that all financial activity is recorded on a timely basis.

Management's Corrective Action - Improvements have been made in the internal controls and all general ledger accounts are being reconciled on a monthly basis.

Section II - Federal Award Findings and Questioned Costs

Internal Control/Compliance

The School did not expend more than \$500,000 in Federal awards during the year ended June 30, 2011 and, therefore, was exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

Section III - Management Letter

A management letter was not issued in connection with the audit year ended June 30, 2011.

SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:524 - PERFORMANCE AND STATISTICAL DATA)
(UNAUDITED)

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES**

To the Board of Directors

Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School,
New Orleans, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Advocates for Academic Excellence in Education, Inc. d/b/a Benjamin Franklin High School (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data for the year ended June 30, 2011, accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. Management of the School is responsible for its performance and statistical data. This engagement to perform agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accounts. 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.

The procedures that were performed 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 expenses were classified correctly and were reported in the proper amounts for each of the categories reported on Schedule 1.

No exceptions noted.

Education Levels of Public School Staff (Schedule 2)

- 2) We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to the School's supporting payroll records as of October 1, 2010.

No exceptions were noted.

- 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 number of principals and assistant principals per this schedule.

No exceptions were noted.

- 4) We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2010, and as reported on this schedule. We traced a random sample of 25 teachers to the individual's personnel file to determine the individual's education level was properly classified on this schedule.

No exceptions were noted.

Number and Type of Public Schools (Schedule 3)

- 5) We obtained a listing showing the School's type as reported on Schedule 3. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA # 84.010) Grant Award application.

No exceptions were noted.

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

- 6) We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2010, as reported on this schedule. We traced the same sample used in procedure 4 to the individual's personnel file to determine if the individual's experience is properly classified on this schedule.

No exceptions noted.

Public School Staff Data: Average Salaries (Schedule 5)

- 7) We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent, which was used to compute average salaries on the schedule. We traced a random sample of 25 teachers' salaries to the individual's personnel file to determine if the individual's salary, extra compensation, and full-time equivalents are properly included on the list.

No exceptions were noted.

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

No exceptions were noted.

Class Size Characteristics (Schedule 6)

- 9) We obtained a list of classes by school, school type, and class size as reported on this schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We traced a random sample of 10 classes to the October 1, 2010 roll books for those classes to determine if the class is properly classified on this schedule.

No exceptions were noted.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

- 10) Not applicable.

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 this schedule by the School.

No exceptions were noted.

Iowa and 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 this schedule by the School.

Schedule 9 is no longer applicable.

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 School, 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
September 27, 2011.

**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES**

**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School**

For the year ended June 30, 2011
(Unaudited)

General Fund Instructional and Equipment Expenditures

Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 2,057,936
Other Instructional Staff Activities	-
Employee Benefits	624,050
Purchased Professional and Technical Services	-
Instructional Materials and Supplies	238,789
Instructional Equipment	<u>4,268</u>

Total Teacher and Student Interaction Activities \$ 2,925,043

Other Instructional Activities 1,154

Pupil Support Services	376,253
Less: Equipment for Pupil Support Services	<u>(28,854)</u>

Net Pupil Support Services 347,399

Instructional Staff Services	132,963
Less: Equipment for Instructional Staff Services	<u>(55)</u>

Net Instructional Staff Services 132,908

School Administration	664,467
Less: Equipment for School Administration	<u>(3,987)</u>

Net School Administration 660,480

Total General Fund Instructional Expenses \$ 4,066,984

Total General Fund Equipment Expenses \$ 37,164

Certain Local Revenue Sources

Local Taxation Revenue:

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

Total Local Taxation Revenue	\$ -
------------------------------	------

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	-

Total Local Earnings on Investment in Real Property	\$ -
---	------

State Revenue in Lieu of Taxes:

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

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

Nonpublic Textbook Revenue	\$ -
----------------------------	------

Nonpublic Transportation Revenue	\$ -
----------------------------------	------

EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School

As of October 1, 2010
(Unaudited)

	Full-time Classroom Teachers		Principals and Assistant Principals	
	Certificated Number	Uncertificated Percent	Certificated Number	Uncertificated Percent
Less than a Bachelor's Degree	-	-	-	-
Bachelor's Degree	9	25	-	-
Master's Degree	15	42	-	-
Master's Degree + 30	6	17	1	100
Specialist in Education	-	-	-	-
Ph. D. or Ed. D.	6	16	-	100
Totals	36	100	1	100

NUMBER AND TYPE OF PUBLIC SCHOOLS**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School**

For the year ended June 30, 2011
(Unaudited)

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

**EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS,
AND FULL TIME CLASSROOM TEACHERS**

**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School**

As of October 1, 2010
(Unaudited)

	<u>0-1 Yr.</u>	<u>2-3 Yrs.</u>	<u>4-10 Yrs.</u>	<u>11-14 Yrs.</u>	<u>15-19 Yrs.</u>	<u>20-24 Yrs.</u>	<u>25+ Yrs.</u>	<u>Totals</u>
Assistant Principals							1	1
Principals	1	3	5	2	7	3	1	1
Classroom Teachers							16	37
Totals	<u>1</u>	<u>3</u>	<u>5</u>	<u>2</u>	<u>7</u>	<u>3</u>	<u>18</u>	<u>39</u>

PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School**For the year ended June 30, 2011
(Unaudited)

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers Salary Including Extra Compensation	<u>\$ 59,826</u>	<u>\$ 59,319</u>
Average Classroom Teachers Salary Excluding Extra Compensation	<u>\$ 55,312</u>	<u>\$ 54,711</u>
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	<u>39</u>	<u>36</u>

CLASS SIZE CHARACTERISTICS**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School**As of October 1, 2010
(Unaudited)

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	154	91	102	95	3	33	-	-
High Activity Classes	15	9	5	5	6	67	3	100
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-
Totals	<u>169</u>	<u>100</u>	<u>107</u>	<u>100</u>	<u>9</u>	<u>100</u>	<u>3</u>	<u>100</u>

LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)

**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School**

For the Year Ended June 30, 2011
(Unaudited)

This schedule does not apply to Benjamin Franklin High School as grade levels for the school are grades 9 through 12.

GRADUATION EXIT EXAMINATION (GEE)**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School**For the year ended June 30, 2011
(Unaudited)

School Achievement Level Results	English Language Arts					
	2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent
Grade 10						
Advanced	32	19	54	32	28	21
Mastery	96	58	86	51	76	58
Basic	37	23	27	16	27	21
Approaching Basic	-	-	1	1	-	-
Unsatisfactory	-	-	-	-	-	-
Totals	165	100	168	100	131	100

School Achievement Level Results	Mathematics					
	2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent
Grade 10						
Advanced	116	70	118	70	83	63
Mastery	35	21	37	22	27	21
Basic	14	9	13	8	21	16
Approaching Basic	-	-	-	-	-	-
Unsatisfactory	-	-	-	-	-	-
Totals	165	100	168	100	131	100

School Achievement Level Results	Science					
	2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent
Students						
Grade 11						
Advanced	49	30	32	24	45	38
Mastery	86	52	64	48	58	49
Basic	29	17	36	27	16	13
Approaching Basic	-	-	1	1	-	-
Unsatisfactory	1	1	-	-	-	-
Totals	165	100	133	100	119	100

School Achievement Level Results	Social Studies					
	2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent
Students						
Grade 11						
Advanced	23	14	6	5	15	13
Mastery	77	46	66	49	64	54
Basic	64	39	60	45	40	33
Approaching Basic	-	-	1	1	-	-
Unsatisfactory	1	1	-	-	-	-
Totals	165	100	133	100	119	100

IOWA and iLEAP TESTS**Advocates for Academic Excellence in Education, Inc.
d/b/a Benjamin Franklin High School**For the year ended June 30, 2011
(Unaudited)**iLEAP TESTS:**

School Achievement Level Results	English Language Arts			
	2010		2009	
	Number	Percent	Number	Percent
Students				
Grade 9				
Advanced	52	30	31	20
Mastery	96	56	109	69
Basic	25	14	16	10
Approaching Basic	-	-	1	1
Unsatisfactory	-	-	-	-
Totals	173	100	157	100

School Achievement Level Results	Mathematics			
	2010		2009	
	Number	Percent	Number	Percent
Students				
Grade 9				
Advanced	93	54	67	43
Mastery	45	26	57	36
Basic	34	19	32	20
Approaching Basic	-	-	1	1
Unsatisfactory	1	1	-	-
Totals	173	100	157	100

Test was discontinued by state in 2011