

SOPHIE B. WRIGHT CHARTER SCHOOL

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2018

**SOPHIE B. WRIGHT CHARTER SCHOOL
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Sophie B. Wright Charter School
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Sophie B. Wright Charter School (the School), a nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial position of the School as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Schools' financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The accompanying schedule of compensation, benefits, and other payments the agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedules required by Louisiana State Law, included as Schedules 1 through 2, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combining financial statements. We have applied certain limited procedures, which are described in the Independent Accountants' Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2018 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
December 21, 2018

**SOPHIE B. WRIGHT CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 3,950,607
Cash Held for Others	382,928
Accounts Receivable - Federal and State	351,068
Accounts Receivable - Other	47,211
Prepaid Expenses and Other Assets	148,983
Total Current Assets	<u>4,880,797</u>

LONG-TERM ASSETS

Property, Plant and Equipment, Net	<u>595,867</u>
Total Long-Term Assets	<u>595,867</u>

Total Assets \$ 5,476,664

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 351,550
Deferred Revenue	40,000
Amounts Held for Others	382,928
Total Current Liabilities	<u>774,478</u>

NET ASSETS

Unrestricted	<u>4,702,186</u>
Total Net Assets	<u>4,702,186</u>

Total Liabilities and Net Assets \$ 5,476,664

See accompanying Notes to Financial Statements.

**SOPHIE B. WRIGHT CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

REVENUES

State and Local Public School Funding	\$ 5,332,482
Federal Grants	1,043,143
Donations	43,500
Other Income	29,538
Total Revenues	6,448,663

EXPENSES

Program Services	4,768,117
Management and General	681,133
Total Expenses	<u>5,449,250</u>

CHANGE IN UNRESTRICTED NET ASSETS

999,413

Unrestricted Net Assets - Beginning of Year

3,702,773

UNRESTRICTED NET ASSETS - END OF YEAR

\$ 4,702,186

See accompanying Notes to Financial Statements.

**SOPHIE B. WRIGHT CHARTER SCHOOL
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 999,413
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	61,999
Change in Operating Assets:	
Accounts Receivable - Federal and State	44,963
Accounts Receivable - Other	76,238
Prepaid Expenses and Other Assets	16,878
Change in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	187,671
Deferred Revenue	40,000
Net Cash Flows Provided by Operating Activities	1,427,162

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of Property, Plant and Equipment	(443,390)
Net Cash Used by Investing Activities	(443,390)

NET CHANGE IN CASH AND CASH EQUIVALENTS

983,772

Cash and Cash Equivalents - Beginning of Year

2,966,835

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 3,950,607

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash Paid for Interest During the Fiscal Year	\$ 730
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See accompanying Notes to Financial Statements.

**SOPHIE B. WRIGHT CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 2,504,287	\$ 335,595	\$ 2,839,882
Pension Expense	73,915	9,905	83,820
Other Employee Benefits	232,198	31,117	263,315
Payroll Taxes	169,125	22,664	191,789
Legal Expenses	-	7,941	7,941
Accounting Expenses	-	115,534	115,534
Instructional Materials	93,448	-	93,448
Other Fees for Services	451,953	21,519	473,472
Office Expenses	90,931	56,968	147,899
Occupancy Expenses	501,893	-	501,893
Travel Expenses	521	2,634	3,155
Conference and Meeting Expenses	6,109	-	6,109
Interest Expense	-	730	730
Depreciation Expense	61,999	-	61,999
Insurance Expense	98,222	36,104	134,326
Other Expenses	483,516	40,422	523,938
	<u>\$ 4,768,117</u>	<u>\$ 681,133</u>	<u>\$ 5,449,250</u>
Total	<u>\$ 4,768,117</u>	<u>\$ 681,133</u>	<u>\$ 5,449,250</u>

See accompanying Notes to Financial Statements.

**SOPHIE B. WRIGHT CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Institute for Academic Excellence dba: Sophie B. Wright Charter School (the School) 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.

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States as prescribed by the Financial Accounting Standards Board.

Net Asset Classes

The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets of the School are defined as:

Unrestricted – All resources over which the governing board has discretionary control to use in carrying on the general operations of the School.

Temporarily Restricted – These net assets are restricted by donors to be used for specific purposes. The School does not currently have any temporarily restricted net assets.

Permanently Restricted – These net assets are permanently restricted by donors and cannot be used by the School. The School does not currently have any permanently restricted net assets.

Cash and Cash Equivalents

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Use of Estimates

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

**SOPHIE B. WRIGHT CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2018. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost if purchased or at estimated fair market value if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset.

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 School'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 School. 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 the School.

Revenue

The School's primary sources of funding are through the State Public School Fund and federal grants, as well as private donations. Federal grants are recorded on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as temporarily restricted. Restricted contributions that are received and released in the same period are reported as unrestricted revenue. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Income Taxes

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files informational returns in the U.S. federal jurisdiction. The statute of limitations for federal purposes is generally three years.

**SOPHIE B. WRIGHT CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

Evaluation of Subsequent Events

The School has evaluated subsequent events through December 21, 2018, the date these financial statements were available to be issued.

NOTE 2 CONCENTRATION OF CREDIT RISK

The School maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 3 PROPERTY PLANT AND EQUIPMENT

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

Machinery & Equipment	\$ 130,893
Band Uniforms	93,999
Technology Software	65,943
Vehicles	634,489
Accumulated Depreciation	<u>(329,457)</u>
Total	<u><u>\$ 595,867</u></u>

Depreciation expense for the year ended June 30, 2018 was \$61,999.

**SOPHIE B. WRIGHT CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 EMPLOYEE RETIREMENT

Defined Contribution Plan

The School offers an Internal Revenue Code Section 403(b) retirement plan to each of its qualifying employees. Employees are eligible to participate in the plan immediately upon hire. All participant contributions are 100% vested at the time of funding. Employer matching contributions, plus any earnings generated, are vested after five years of service. The Institute provides matching contributions of 4% of annual salary for 1-4 years of service and 7.5% of annual salary after 5 years of service. The School provides matching contributions of 10% of annual salary for the principal and assistant principal after 5 years of service.

Plan participants have the option of contributing funds before-tax (traditional) or after-tax (Roth), with a maximum annual contribution per participant of the lesser of \$17,500, or 100% of includible compensation. Participants over the age of 50 have the option to contribute an additional \$5,500 per year as a "catch-up" contribution. The School may match participant contributions equal to a discretionary percentage, as determined by the Employer from year to year. Each participant must be employed on the last day of the contribution period to be considered eligible for matching contributions. The amount of employer contributions for the year ended June 30, 2018 was \$83,820.

NOTE 5 OPERATING LEASES

The School leases its facilities under several lease agreements where the last lease expires in 2023. Lease expense under these agreements for the year ended June 30, 2018 was 396,010.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 434,284
2020	279,840
2021	279,840
2022	279,840
2023	139,920
Total	<u>\$ 1,413,724</u>

NOTE 6 FUNDS HELD ON BEHALF OF OTHERS/DUE TO OTHERS

The School acts as a custodian for student activity bank accounts. Funds held on behalf of these groups amounted to \$382,928 at June 30, 2018, 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.

**SOPHIE B. WRIGHT CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 CONTINGENCIES

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

NOTE 8 SUBSEQUENT EVENT

Effective July 1, 2018 the School transferred from a Type 5 to Type 3b charter as a result of Orleans Parrish School Board unification. The School is still governed by the School's current board of directors.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Sophie B. Wright Charter School
New Orleans, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sophie B. Wright Charter School (the School), a nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 21, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 21, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE**

Board of Directors
Sophie B. Wright Charter School
New Orleans, LA

Report on Compliance for Each Major Federal Program

We have audited the compliance of Sophie B. Wright Charter School (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

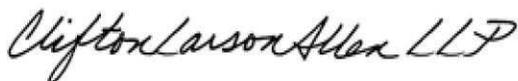
Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance such that there is a reasonable possibility, that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 21, 2018

**SOPHIE B. WRIGHT CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I, Part A, Basic Grants
10.555	Child Nutrition Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes X no

SOPHIE B. WRIGHT CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018

Section II – Financial Statement Findings

There were no findings for the year ended June 30, 2018.

Section III – Federal Findings

There were no findings for the year ended June 30, 2018.

**SOPHIE B. WRIGHT CHARTER SCHOOL
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

There were no findings for the year ended June 30, 2017.

**SOPHIE B. WRIGHT CHARTER SCHOOL
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD
 YEAR ENDED JUNE 30, 2018**

Agency Head: Sharon Clark

Purpose	Amount
Salary	\$ 174,196
Benefits - Employer Portion of Retirement	24,194
Benefits - Employer Portion of Medical/Dental/Vision	10,115
Travel	-
Cell Phone Reimbursement	-
Reimbursements	-
Conferences	-
Benefits - FICA Medicare	10,800
Other Compensation-Security	-
Community Relations	-
Professional Development	-
Total	<u>\$ 219,305</u>

See the Auditor's Report.

**SOPHIE B. WRIGHT CHARTER SCHOOL
SCHEDULE OF FEDERAL EXPENDITURES
YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION:			
Pass Through Program From Louisiana Department of Education:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	302,439
Title II, Part A, Teacher Quality	84.367	14341	49,546
Title V	84.282	N/A	10,000
Special Ed	84.027	N/A	123,827
Grants and Programs for Career and Technical Education/Community Colleges	84.048A	N/A	17,099
Teacher Incentive Fund	84.374A	N/A	89,671
Total U.S. Department of Education			<u>592,582</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:			
FEMA Grants	97.050	N/A	124,490
Total U.S. Department of Homeland Security			<u>124,490</u>
U.S. DEPARTMENT OF AGRICULTURE:			
Pass Through Program From Louisiana Department of Education:			
Child Nutrition Programs	10.555	N/A	326,071
Total U.S. Department of Agriculture			<u>326,071</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 1,043,143</u></u>

N/A - Pass-through entity number not readily available or not applicable.

See the Auditors' Report and the Note to the Schedule of Federal Expenditures.

SOPHIE B. WRIGHT CHARTER SCHOOL
NOTES TO THE SCHEDULE OF FEDERAL EXPENDITURES
YEAR ENDED JUNE 30, 2018

NOTE 1 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Schools under programs of the federal governmental for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Schools, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Schools.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected to use a rate other than the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

See the Auditors' Report and the Note to the Schedule of Federal Expenditures.

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Sophie B. Wright Charter School, the Louisiana Department of Education, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Sophie B. Wright Charter School; the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Sophie B. Wright Charter School for the fiscal year ended June 30, 2018; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the applicable Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of the Sophie B. Wright Charter School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

Findings:

None.

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

Findings:

None.

Education Levels/Experience of Public School Staff NO SCHEDULE)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Findings:

None.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Findings:

None.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Board of Directors
Sophie B. Wright Charter School

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the (City or Parish School Board or Charter School), as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



CliftonLarsonAllen LLP

Glendora, California
December 21, 2018

**SOPHIE B. WRIGHT CHARTER SCHOOL
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND CERTAIN LOCAL
REVENUE SOURCES
SCHEDULE 1
YEAR ENDED JUNE 30, 2018**

General Fund Instructional and Equipment Expenditures	Column A	Column B
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,347,360	
Other Instructional Staff Activities	142,105	
Instructional Staff Employee Benefits	315,317	
Purchased Professional and Technical Services	27,106	
Instructional Materials and Supplies	18,977	
Instructional Equipment	86,639	
Total Teacher and Student Interaction Activities		\$ 1,937,503
Other Instructional Activities		-
Pupil Support Services	149,536	
Less: Equipment for Pupil Support Services		
Net Pupil Support Services		149,536
Instructional Staff Services	22,290	
Less: Equipment for Instructional Staff Services		
Net Instructional Staff Services		22,290
School Administration	682,939	
Less: Equipment for School Administration		
Net School Administration		682,939
Total General Fund Instructional Expenditures (Total of Column B)		\$ 2,792,268
Total General Fund Equipment Expenditures (Object 730; Functional Series 1000-4000)		\$ 86,639
 Local Revenue Sources		
Earnings on Investments:		
Interest on Investments		\$ 721
Other Revenue from Local Sources:		
Contributions and Donations		43,500
Revenue from Judgements/Court Orders		-
Miscellaneous Revenues:		
Other Miscellaneous Revenues		28,818
Total Revenues from Local Sources		\$ 73,039
 Revenues from State Sources		
State Unrestricted Grants-In-Aid:		
State Public School Fund (MFP) - Excluding School Lunch		\$ 5,322,482
State Revenue for/on Behalf of LEA:		
Other Revenue for/on Behalf of LEA		18,343
Total Revenue from State Sources		\$ 5,340,825
Revenue from Federal Sources:		
Lunch Program		\$ 326,071
Other Federal Revenue		717,072
Total Revenue from Federal Sources		\$ 1,043,143

See the Auditors' Report.

**SOPHIE B. WRIGHT CHARTER SCHOOL
 CLASS-SIZE CHARACTERISTICS
 SCHEDULE 2
 YEAR ENDED JUNE 30, 2018**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary								
Elementary Activity Class								
Middle High			1	1%				
Middle High Activity Class								
High	48	29%	57	34%	61	36%	1	1%
High Activity Class								
Combination								
Combination Activity Class								

See the Auditors' Report.



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Sophie B. Wright Charter School
New Orleans, LA

We have performed the procedures enumerated below, which were agreed to by Sophie B. Wright Charter School (the School) and the Legislative Auditor, State of Louisiana, to assist the entity in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended June 30, 2018. The School's management is responsible for compliance with these requirements. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Rotation of Procedures

Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 may exclude those categories from testing in Year 2.

Our procedures and findings are as follows:

Written Policies and Procedures

1. CLA obtained Sophie B. Wright Charter School's written policies and procedures and observed if those written policies and procedures addressed each of the following financial/business functions:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The written policies and procedures addressed each of the above financial/business functions.

Board or Finance Committee

- 2. CLA obtained and read the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) CLA observed that the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) CLA observed that the minutes referenced or included financial activity relating to public funds.
 - c) **Results:** The board minutes reviewed met with a quorum at least monthly. Those minutes referenced included monthly budget-to-actual comparisons and financial activity relating to public funds.

Bank Reconciliations

- 3. CLA obtained a listing of client bank accounts from management and management's representation that the listing is complete.
- 4. Using the listing provided by management, CLA selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, CLA obtained bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

**INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.

Results: Bank reconciliations were prepared. Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation. There were no reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.

Collections

We did not perform procedures 4-7 for the period ended June 30, 2018. The prior year Statewide Agreed-Upon procedures had no exceptions in this area.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

We did not perform procedures 8-10 for the period ended June 30, 2018. The prior year Statewide Agreed-Upon procedures had no exceptions in this area.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

We did not perform procedures 11-13 for the period ended June 30, 2018. The prior year Statewide Agreed-Upon procedures had no exceptions in this area.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

We did not perform procedure 14 for the period ended June 30, 2018. The prior year Statewide Agreed-Upon procedures had no exceptions in this area.

Contracts

We did not perform procedure 15 for the period ended June 30, 2018. The prior year Statewide Agreed-Upon procedures had no exceptions in this area.

Payroll and Personnel

We did not perform procedures 16-19 for the period ended June 30, 2018. The prior year Statewide Agreed-Upon procedures had no exceptions in this area.

Ethics

We did not perform procedure 20 for the period ended June 30, 2018. It is not applicable to this not-for-profit charter school.

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

Other

21. CLA inquired of management and determined the entity had no any misappropriations of public funds or assets.

Results: CLA inquired of management and determined the entity had no instances of misappropriations of public funds or assets.

22. CLA observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1.

Results: CLA observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. CLA was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, 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.

The report is intended solely for the use of management 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Glendora CA
December 21, 2018