

FRIENDS OF KING SCHOOL

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of The Friends of King School (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.



To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Friends of King School as of June 30, 2021, 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.

Prior Period Financial Statements

The financial statements of The Friends of King School as of June 30, 2020, were audited by other auditors whose report dated December 21, 2020, expressed an unmodified opinion on those statements.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in the schedule of compensation, benefits, and other payments to agency head (Schedule "1"), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021, on our consideration of The Friends of King 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 The Friends of King School’s 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 Friends of King School ‘s internal control over financial reporting and compliance.

December 23, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP

Certified Public Accountants

FINANCIAL STATEMENTS

THE FRIENDS OF KING SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 5,152,329	\$ 8,139,401
Grant receivables	725,934	1,355,235
Other receivables	-	4,592
Prepaid expenses	<u>11,532</u>	<u>35,519</u>
 Total current assets	 <u>5,889,795</u>	 <u>9,534,747</u>
 <u>PROPERTY AND EQUIPMENT, NET</u>	 <u>10,834</u>	 <u>35,570</u>
<u>OTHER ASSETS:</u>		
Deposits	<u>1,300</u>	<u>-</u>
 Total other assets	 <u>1,300</u>	 <u>-</u>
 Total assets	 <u>\$ 5,901,929</u>	 <u>\$ 9,570,317</u>
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 161,716	\$ 293,292
Accrued expenses	829,354	984,166
Current portion of long-term debt	890,692	890,692
Student activity funds	<u>223,728</u>	<u>256,561</u>
 Total current liabilities	 <u>2,105,490</u>	 <u>2,424,711</u>
<u>NON-CURRENT LIABILITIES:</u>		
Long-term debt, net of unamortized issuance costs	<u>1,121,745</u>	<u>1,121,745</u>
 Total non-current liabilities	 <u>1,121,745</u>	 <u>1,121,745</u>
 Total liabilities	 <u>3,227,235</u>	 <u>3,546,456</u>
<u>NET ASSETS:</u>		
Without donor restrictions	2,252,545	5,538,962
With donor restrictions	<u>422,149</u>	<u>484,899</u>
 Total net assets	 <u>2,674,694</u>	 <u>6,023,861</u>
 Total liabilities and net assets	 <u>\$ 5,901,929</u>	 <u>\$ 9,570,317</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

THE FRIENDS OF KING SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
<u>REVENUE:</u>			
State/Local per pupil aid	\$ 7,408,579	\$ -	\$ 7,408,579
Federal grants	1,259,288	500,195	1,759,483
Other state funds	402,167	-	402,167
Grants and contributions	18,699	-	18,699
Other income	95,649	-	95,649
Net assets released from restrictions	<u>562,945</u>	<u>(562,945)</u>	<u>-</u>
 Total revenue	 <u>9,747,327</u>	 <u>(62,750)</u>	 <u>9,684,577</u>
<u>EXPENSES:</u>			
Program services	10,061,168	-	10,061,168
Administration	<u>2,972,576</u>	<u>-</u>	<u>2,972,576</u>
 Total expenses	 <u>13,033,744</u>	 <u>-</u>	 <u>13,033,744</u>
 Change in net assets	 (3,286,417)	 (62,750)	 (3,349,167)
 Net assets, beginning of year	 <u>5,538,962</u>	 <u>484,899</u>	 <u>6,023,861</u>
 Net assets, end of year	 <u>\$ 2,252,545</u>	 <u>\$ 422,149</u>	 <u>\$ 2,674,694</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

THE FRIENDS OF KING SCHOOL
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>REVENUE:</u>			
State/Local per pupil aid	\$ 10,674,948	\$ -	\$ 10,674,948
Federal grants	699,265	1,234,434	1,933,699
Other state funds	537,145	-	537,145
Grant and contributions	41,442	-	41,442
Other income	180,773	-	180,773
Net assets released from restrictions	<u>1,372,545</u>	<u>(1,372,545)</u>	<u>-</u>
 Total revenue	 <u>13,506,118</u>	 <u>(138,111)</u>	 <u>13,368,007</u>
<u>EXPENSES:</u>			
Program services	11,639,201	-	11,639,201
Administration	<u>3,420,791</u>	<u>-</u>	<u>3,420,791</u>
 Total expenses	 <u>15,059,992</u>	 <u>-</u>	 <u>15,059,992</u>
 Change in net assets	 (1,553,874)	 (138,111)	 (1,691,985)
 Net assets, beginning of year	 <u>7,092,836</u>	 <u>623,010</u>	 <u>7,715,846</u>
 Net assets, end of year	 <u>\$ 5,538,962</u>	 <u>\$ 484,899</u>	 <u>\$ 6,023,861</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

THE FRIENDS OF KING SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	General	Total
	<u>Educational</u>	<u>Administration</u>	
Salaries	\$ 6,883,457	\$ 1,412,776	\$ 8,296,233
Employee benefits	527,389	144,022	671,411
Payroll taxes	581,912	105,390	687,302
Materials and supplies	570,535	139,724	710,259
Transportation	370,370	-	370,370
Professional services	294,353	260,476	554,829
Retirement	336,604	99,776	436,380
Food purchases	130,349	-	130,349
Utilities	221,150	55,287	276,437
Insurance	57,999	228,916	286,915
Administrative fee	-	147,218	147,218
Miscellaneous	60,884	350,792	411,676
Travel	3,060	920	3,980
Telephone and postage	23,106	-	23,106
Dues and fees	-	6,454	6,454
Depreciation	-	20,825	20,825
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 10,061,168</u>	<u>\$ 2,972,576</u>	<u>\$ 13,033,744</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

THE FRIENDS OF KING SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	General	
	<u>Instructional</u>	<u>Administration</u>	<u>Total</u>
Salaries	\$ 7,615,629	\$ 1,509,113	\$ 9,124,742
Employee benefits	752,787	160,600	913,387
Payroll taxes	541,722	132,139	673,861
Materials and supplies	722,300	151,435	873,735
Transportation	453,211	-	453,211
Professional services	496,736	253,490	750,226
Retirement	360,490	103,189	463,679
Food purchases	203,165	-	203,165
Utilities	270,957	67,739	338,696
Insurance	29,947	271,988	301,935
Administrative fee	-	209,664	209,664
Miscellaneous	70,800	502,828	573,628
Travel	95,972	14,874	110,846
Telephone and postage	24,572	5,334	29,906
Dues and fees	913	7,180	8,093
Depreciation	-	31,218	31,218
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 11,639,201</u>	<u>\$ 3,420,791</u>	<u>\$ 15,059,992</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

THE FRIENDS OF KING SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (3,349,167)	\$ (1,691,985)
Adjustments to reconcile change in net assets to cash and cash equivalents from (used for) operating activities:		
Depreciation expense	20,825	31,218
Loss on disposition of assets	3,911	-
(Increase) decrease in:		
Grant receivables	629,301	55,166
Other receivables	4,592	(4,592)
Prepaid expenses	23,987	(9,624)
Deposits	(1,300)	500
Increase (decrease) in:		
Accounts payable	(131,576)	75,527
Accrued expenses	(154,812)	793,978
Student activity funds	<u>(32,833)</u>	<u>51,838</u>
 Net cash (used for) operating activities	 <u>(2,987,072)</u>	 <u>(697,974)</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	<u>-</u>	<u>(23,357)</u>
 Net cash (used for) investing activities	 <u>-</u>	 <u>(23,357)</u>
<u>CASH FLOWS (USED FOR) FINANCING ACTIVITIES:</u>		
Proceeds from issuance of long-term debt	<u>-</u>	<u>2,012,437</u>
 Net cash from financing activities	 <u>-</u>	 <u>2,012,437</u>
 Net increase (decrease) in cash and cash equivalents	 (2,987,072)	 1,291,106
Cash and cash equivalents, beginning of year	<u>8,139,401</u>	<u>6,848,295</u>
Cash and cash equivalents, end of year	<u>\$ 5,152,329</u>	<u>\$ 8,139,401</u>

Supplementary Disclosure of Cash Flow Information**Noncash Investing Activity**

During the year ended June 30, 2021, the School disposed of equipment with a cost of \$7,825 and accumulated depreciation of \$3,914. No cash proceeds were received as a result of this disposal.

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Friends of King School ("the School") was granted a charter by the Louisiana State Board of Elementary and Secondary Education (BESE) in 2005 to operate a Type V public charter school d/b/a Dr. Martin Luther King, Jr. Charter School for Science and Technology (the "MLK School"). In 2012, the School was granted by BESE a charter to operate an additional Type V public charter school d/b/a Joseph A. Craig Elementary School (the "Craig School"). The School seeks to provide educational services according to the educational standards established by law, the charter contract and the charter application/proposal; measures pupil progress toward stated goals; and participates in pupil assessment required by law, regulation and BESE policy. The School serves eligible students in pre-kindergarten through twelfth grade in New Orleans, Louisiana.

The mission of the School is to create and maintain an orderly, trusting environment where teaching and learning are innovative and exciting; where students are taught to read, write, compute, and think critically according to their fullest potential.

On July 1, 2011, the MLK School's operating agreement renewal with the BESE went into effect. This allows the School to use the facilities and contents located at 1617 Caffin Avenue, New Orleans, Louisiana 70117, or any other locations that may be approved by the School and BESE. This agreement expired on June 30, 2015. On January 14, 2015, BESE approved the transfer of MLK School to the jurisdiction of the Orleans Parish School Board (OPSB) effective July 1, 2015 as a Type 3b charter. This agreement will expire on June 20, 2022. The School pays the OPSB on behalf of MLK School, an administrative fee amounting to 2% of all Minimum Foundation Program (MFP) revenue received.

On July 1, 2012, the School entered into an operating agreement with BESE which allows the School to use the facilities and contents located at 1423 St. Philip Street, New Orleans, Louisiana 70116, or any other locations that may be approved by the School and BESE for the Craig School. Effective July 1, 2018, the Craig School became a Type 3b charter under the jurisdiction of the OPSB. This agreement expired on June 30, 2020 and was not renewed by the OPSB. The School paid the OPSB on behalf of the Craig School, an administrative fee amounting to 2% of all MFP revenue received. As of July 1, 2020, operation of the Craig School was transferred to another Charter Management Organization by OPSB.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the School is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. The School's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the School considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received specifying the use of the contribution.

Receivables

Grants, notes, and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2021 and 2020, no allowance is recorded as management considers all receivables to be fully collectible

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated property and equipment is recorded at fair value as of the date received. The School maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Depreciation is computed using the straight-line method over the following useful lives:

Equipment	3-5 years
Vehicles	5 years

Assets acquired with OPSB funds are owned by the School while used in the purpose for which it was purchased. The OPSB however, has a reversionary interest in these assets. Should a charter not be renewed, title in any assets purchased with these funds will revert to the appropriate agency.

Compensated Absences

All ten-month employees accrue ten days of sick leave each year. All twelve-month employees accrue twelve days of sick leave and ten days of vacation pay. Any unused vacation days are paid in the subsequent year by December 31st. Upon termination, the School compensates employees for unused sick days not to exceed the days stipulated by the School's policies which range from 15 to 30 days depending on position. As of June 30, 2021 and 2020, the School had \$70,752 and \$65,496, respectively, of accumulated unpaid leave.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. The School reports contributions of cash or other assets as restricted support if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statement of activities.

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 otherwise earned under the terms of the grants.

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The School received rent-free use of property and equipment from OPSB. The use of the property and equipment is not recorded as an in-kind contribution from OPSB as the value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction since 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.

Functional Expenses

The cost of program and supporting services has been summarized on a functional basis in the statements of activities. This requires the allocation of certain costs based on total program costs and estimates made by management. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and employee benefits have been allocated based on time and effort. All other allocated expenses have been allocated based on actual expenses incurred.

Income Tax Status

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to income tax unless it 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 not be sustained upon examination. As of June 30, 2021 and 2020, the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2018 and later remain subject to examination by the taxing authorities.

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, “*Revenue from Contracts with Customers (Topic 606)*.” The ASU and all subsequently issued clarifying ASUs superseded the revenue recognition requirements and most industry-specific guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes a cohesive set of disclosure requirements that will provide users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The School has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented. The adoption had no material impact on the School’s financial statements.

Date of Management Review

Subsequent events have been evaluated through December 23, 2021, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At June 30, 2021 and 2020, the School has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures of \$5,878,263 and \$9,499,228, respectively. None of the financial assets above are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

The School’s objective is to maintain liquid assets without donor restrictions sufficient to cover 60 days of program expenditures. The School regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days utilizing the resources the School has available. In addition, the School operates with a budget to monitor sources and uses of funds throughout the year.

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(3) GRANTS RECEIVABLES

Grants receivable consists of the following at June 30th:

	2021	2020
Due from State of Louisiana	\$ 725,934	\$ 1,355,235
	\$ 725,934	\$ 1,355,235

(4) PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30th:

	2021	2020
Equipment	\$ 150,193	\$ 158,018
Vehicles	22,841	22,841
Less accumulated depreciation	(162,200)	(145,289)
Total	\$ 10,834	\$ 35,570

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$20,825 and \$31,218, respectively.

(5) LONG-TERM DEBT

As of April 17, 2020, the School was granted a \$2,012,437 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The School is eligible for loan forgiveness of up to 100% of the loan upon meeting certain requirements. Proceeds from the loan are eligible for forgiveness if the School maintains employment levels during its 6-month covered period and uses the funds for certain payroll, rent and utility expenses. No amount of this loan has been recorded as forgiveness of debt for the years ended June 30, 2021 and 2020. To the extent that the School is not granted forgiveness, the School will be required to repay any remaining balance, plus interest accrued at 1% annum in monthly payments beginning on November 16, 2020. Principal and interest payments will be required through the maturity date of April 16, 2022. See Note 14 for information on the forgiveness of this note subsequent to year end.

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(6) RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consisted of the following at June 30th:

	<u>2021</u>	<u>2020</u>
Food service	\$ 87,653	\$ 414,956
Career development	20,602	19,728
Education excellence fund	40,850	49,633
OPSB	273,044	-
School redesign	<u>-</u>	<u>582</u>
Net assets with donor restrictions	<u>\$ 422,149</u>	<u>\$ 484,899</u>

Net assets with donor restrictions were released from restrictions for the following purposes during the years ended June 30th:

	<u>2021</u>	<u>2020</u>
Food service	\$ 523,486	\$ 736,954
Career development	21,298	4,967
Education excellence fund	18,161	14,680
Title I	-	600,834
School redesign	<u>-</u>	<u>15,110</u>
Net assets released from restrictions	<u>\$ 562,945</u>	<u>\$ 1,372,545</u>

(7) RETIREMENT PLAN

The School has a 403(b) deferred compensation plan covering substantially all employees. Covered employees may elect to contribute a portion of their salaries as allowable. The School may elect to make discretionary contributions to the plan each year. The School's contributions were \$426,250 and \$454,061 for the years ended June 30, 2021 and 2020, respectively.

(8) CONCENTRATIONS OF CREDIT RISK

The School maintains cash in bank accounts at one financial institution. As of June 30, 2021 and 2020, the School had cash in excess of FDIC limits of \$4,931,816 and \$7,889,401, respectively. The School has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(9) LEASE COMMITMENTS

The School entered into lease agreements with the Orleans Parish School Board (OPSB) for the campuses located at 1617 Caffin Avenue, New Orleans, Louisiana and 5300 North Rocheblave Street, New Orleans, Louisiana. The leases are classified as operating leases and were effective July 1, 2018 and extend through June 30, 2021. The lease was extended for an additional year ending on June 30, 2022. In consideration of the use of the premises, the School pays OPSB an annual fee consisting of the per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management, and flood insurance of all OPSB-controlled facilities. The total use fee for the years ended June 30, 2021 and 2020 was \$124,176 and \$181,237, respectively.

The School entered into an operating lease agreement on October 7, 2020 for various pieces of technology equipment. Under the terms of the agreement, the lease will expire on September 7, 2024 and requires monthly payments of \$1,576. The total rental fee for the year ended June 30, 2021 was \$14,184.

The following schedule provides the annual payments due for subsequent years:

2022	\$	18,912
2023		18,912
2024		18,912
2025		<u>4,728</u>
	\$	<u>61,464</u>

(10) GRANT PROGRAM CONTINGENCIES

The School participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2021 and 2020 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the School.

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(11) ECONOMIC DEPENDENCY

The School receives the majority of its revenue from the State of Louisiana. Minimum Foundation Program (MFP). Funding for the years ended June 30, 2021 and 2020 totaled \$7,408,579 and \$10,674,948, respectively. Funding was received from various federal grants passed through the State of Louisiana totaling \$1,759,483 and \$1,933,699 for the years ended June 30, 2021 and 2020. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the School receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the School will receive in fiscal year 2022 relating to its grant awards

(12) RISK MANAGEMENT

The School is exposed to various risks of loss from torts, theft and damage to assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters, and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims or unsettled claims that exceeded this commercial coverage during the year ended June 30, 2021 and 2020.

(13) NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2016-02, “*Leases*.” This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. Deferring the effective date of Update No. 2016-02, the FASB has issued Update No. 2019-10, “*Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Lease (Topic 842)*.” Update No. 2019-10 permits entities to apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2020, and to interim reporting periods within annual reporting periods beginning after December 15, 2021. The FASB further delayed the implementation date by one year through ASU 2020-05 “*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*.” Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. The School plans to adopt this Update as applicable by the effective date.

THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

(13) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2020-07, “*Not-for-Profit Entities (Topic 958)*.” This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders’ concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP’s programs and other activities. This Update will be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The School plans to adopt this Update as applicable by the effective date.

(14) SUBSEQUENT EVENTS

On July 26, 2021, the School was approved for loan forgiveness for the PPP loan for a total forgiveness amount of \$2,012,437.

(15) RECLASSIFICATIONS

Certain reclassifications have been made to the prior year’s financial statements to conform to the presentation of the current year financial statements. The reclassifications have no effect on net assets.

SUPPLEMENTARY INFORMATION

THE FRIENDS OF KING SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Velta Simms, CEO</u>	
Time served	07/01/20 through 06/30/21	
Salary	\$	148,577
Benefits-Social Security and Medicare, SUI		12,260
Benefits-other (Vacation)		5,769
PIP		2,637
Stipend		<u>1,500</u>
Total compensation, benefits, and other payments	\$	<u><u>170,743</u></u>

SUPPLEMENTARY INFORMATION

THE FRIENDS OF KING SCHOOL
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Velta Simms, CEO</u>	
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PIP		2,637
Stipend		<u>1,500</u>
Total compensation, benefits, and other payments	<u>\$</u>	<u>170,743</u>

**OTHER REPORTING REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



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

To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Friends of King School (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Friends of King School's internal control over financial reporting (internal control) as a basis for designing 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 Friends of King School's internal control. Accordingly, we do not express an opinion on the effectiveness of The Friends of King School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Friends of King 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 financial statements. 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 Friends of King School'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 Friends of King School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 23, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

SINGLE AUDIT SECTION



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited The Friends of King School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Friends of King School's major federal programs for the year ended June 30, 2021. The Friends of King School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of The Friends of King 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 Friends of King 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 Friends of King School's compliance.



To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

Opinion on Each Major Federal Program

In our opinion, The Friends of King 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, 2021.

Report on Internal Control Over Compliance

Management of The Friends of King 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 Friends of King 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 Friends of King 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 in internal control over compliance, yet important enough to merit attention by those charged with governance.

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



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 23, 2021
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

THE FRIENDS OF KING SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	\$ 636,473
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	\$ 210,934
Special Education - Preschool Grants	84.173	<u>2,128</u>
Total Special Education Cluster		213,062
Improving Teacher Quality State Grants	84.367	34,951
Student Support and Academic Enrichment Program	84.424	50,103
COVID-19 Governor's Emergency Education Relief Fund	84.425C	53,937
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	334,400
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	<u>104,178</u>
Total Education Stabilization Fund		492,515
Career and Technical Education - Basic Grants to States	84.048	<u>21,021</u>
Total U.S. Department of Education		<u>1,448,125</u>
<u>U.S. Department of Agriculture</u>		
<i>Pass-through program from Louisiana Department of Education</i>		
Child Nutrition Cluster		
School Breakfast Program	10.553	92,193
National School Lunch Program	10.555	<u>219,165</u>
Total Child Nutrition Cluster		<u>311,358</u>
Total U.S. Department of Agriculture		<u>311,358</u>
Total expenditures of federal awards		<u>\$ 1,759,483</u>

(See Independent Auditors' Report)

THE FRIENDS OF KING SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SCOPE OF AUDIT PURSUANT TO *GOVERNMENT AUDITING STANDARDS* AND TITLE 2 *U.S. CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

All federal grant operations of The Friends of King School are included in the scope of the single audit. Those programs which were major grants and selected for specific testing were:

Education Stabilization Fund (AL Nos. 84.425C, 84.425D and 84.425U)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2021.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when The Friends of King School has met the qualifications for the respective grants.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2021.

NOTE 4 – INDIRECT COST RATE

The Friends of King School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

THE FRIENDS OF KING SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of The Friends of King School.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of The Friends of King School were reported in the 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*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for The Friends of King School expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were the Education Stabilization Fund (AL Nos. 84.425C, 84.425D and 84.425U).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Friends of King School was determined to be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2021.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended June 30, 2021.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings related to major federal awards programs for the year ended June 30, 2021.

THE FRIENDS OF KING SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Not applicable

II. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FEDERAL AWARDS

Not applicable

III. MANAGEMENT LETTER

Not applicable

**SCHEDULES REQUIRED BY STATE LAW
(PERFORMANCE STATISTICAL DATA)**



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of The Friends of King School (the School) for the fiscal year ended June 30, 2021. Management of the School is responsible for its performance and statistical data.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514.I. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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 for each of the following amounts reported on the schedule:
 - a. Total General Fund Instructional Expenditures,
 - b. Total General Fund Equipment Expenditures,
 - c. Total Local Taxation Revenue,
 - d. Total Local Earnings on Investment in Real Property,
 - e. Total State Revenue in Lieu of Taxes,
 - f. Nonpublic Textbook Revenue,
 - g. Nonpublic Transportation Revenue.

Exceptions: None



To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

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.

Exceptions: 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.

Exceptions: 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).

Exceptions: None

We were engaged by the School to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of
The Friends of King School
New Orleans, Louisiana

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope and results of testing performed on the performance and statistical data accompanying the annual financial statements of The Friends of King School, as required by Louisiana Revised Statute 24:514.I, and for the information and use of The Friends of King School, the Louisiana Department of Education, and the Louisiana Legislative Auditor. Accordingly, this report is not suitable for any other purpose and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

December 23, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

THE FRIENDS OF KING SCHOOL
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2021

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

	Column A	Column B
General fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 3,354,214	
Other instructional staff salaries	762,885	
Instructional staff employee benefits	921,815	
Purchased professional and technical services	32,232	
Instructional materials and supplies	77,948	
Instructional equipment	-	
Total teacher and students interaction activities		\$ 5,149,094
Other instructional activities		49,846
Pupil support services	458,256	
Less: Equipment for pupil support services	-	
Net pupil support services		458,256
Instructional staff services	712,274	
Less: Equipment for instructional staff services	-	
Net instructional staff services		712,274
School administration	2,215,910	
Less: equipment for school administration	-	
Net school administration		2,215,910
Total general fund instructional expenditures (total of column B)		\$ 8,585,380
Total General fund equipment expenditures		\$ -
<u>CERTAIN LOCAL REVENUE SOURCES</u>		
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		\$ -

(See Independent Accountants' Report on Applying Agreed-Upon Procedures)

THE FRIENDS OF KING SCHOOL
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE 30, 2021
AS OF OCTOBER 1, 2020

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	12%	37	19%	58	3%	10	-	-
Elementary/Activity Classes	-	-	-	-	-	-	1%	4
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	60%	184	0.33%	1	-	-	-	-
High Activity Classes	4%	12	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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