

**THE FRIENDS OF KING SCHOOL**

**Financial Statements as of June 30, 2013 and 2012  
and for the Years Then Ended  
and Independent Auditors' Report  
and Supplemental Information**

# THE FRIENDS OF KING SCHOOL

## TABLE OF CONTENTS

	<b>Page</b>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS AS OF JUNE 30, 2013 and 2012 AND FOR THE YEARS THEN ENDED:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards	17
Schedule of Compensation Paid to Board Members	18
OTHER INDEPENDENT AUDITORS' REPORTS	
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 <i>Government Auditing Standards</i>	20
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with Office of Management and Budget (OMB) Circular A-133	22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	25
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	26
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)	
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	28
SCHEDULE 1 General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	32

**THE FRIENDS OF KING SCHOOL**

**TABLE OF CONTENTS, (continued)**

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

<b>SCHEDULE 2</b>		
Education Levels of Public School Staff		33
<b>SCHEDULE 3</b>		
Number and Type of Public Schools		34
<b>SCHEDULE 4</b>		
Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers		35
<b>SCHEDULE 5</b>		
Public School Staff Data		36
<b>SCHEDULE 6</b>		
Class Size Characteristics		37
<b>SCHEDULE 7</b>		
Louisiana Educational Assessment Program (LEAP)		38
<b>SCHEDULE 8</b>		
Graduation Exit Exam (GEE)		39
<b>SCHEDULE 9</b>		
The iLEAP Tests		40



Certified Public Accountants & Consultants

## 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 (the School) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 auditors' 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.

4330 Dumaine Street  
New Orleans, LA 70119  
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.  
Mandeville, LA 70448  
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane  
P O Box 50, Pass Christian, MS 39571  
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company  
[www.silva-cpa.com](http://www.silva-cpa.com)

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, 2013 and 2012, and the changes in its net assets and its cash flows for the years 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 financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Louisiana Revised Statute 24:514, is presented for purposes of additional analysis and is 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013, 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 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 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.

*Silva Gurtner & Alney, LLC*

New Orleans, Louisiana

December 23, 2013

**THE FRIENDS OF KING SCHOOL  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 466,830	\$ 1,557,840
Restricted cash	171,723	120,948
Grants receivable	1,260,866	741,673
Accounts receivable	<u>185,465</u>	<u>5,681</u>
Total current assets	2,084,884	2,426,142
 EQUIPMENT, net	 <u>5,196</u>	 <u>5,140</u>
 TOTAL ASSETS	 <b><u><u>\$ 2,090,080</u></u></b>	 <b><u><u>\$ 2,431,282</u></u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 179,286	\$ 204,083
Accrued salaries and benefits	225,373	78,310
Funds held on behalf of others	<u>171,723</u>	<u>120,948</u>
Total current liabilities	576,382	403,341
 COMMITMENTS AND CONTINGENCIES (NOTE D)		
 NET ASSETS		
Unrestricted	1,418,862	1,777,941
Temporarily restricted	<u>94,836</u>	<u>250,000</u>
Total net assets	<u>1,513,698</u>	<u>2,027,941</u>
 TOTAL LIABILITIES AND NET ASSETS	 <b><u><u>\$ 2,090,080</u></u></b>	 <b><u><u>\$ 2,431,282</u></u></b>

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

**THE FRIENDS OF KING SCHOOL  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Local sources			
Per pupil aid - MFP	\$ 4,338,671	\$ -	\$ 4,338,671
Other income	270,488	-	270,488
State sources			
Per pupil aid - MFP	4,080,253	-	4,080,253
State grants	100,880	-	100,880
Federal grants	2,569,154	-	2,569,154
Net assets released from restrictions	155,164	(155,164)	-
 Total revenues and other support	 11,514,610	 (155,164)	 11,359,446
<b>EXPENSES</b>			
Program expenses	8,089,579	-	8,089,579
Administrative expenses	3,784,110	-	3,784,110
 Total expenses	 11,873,689	 -	 11,873,689
 <b>CHANGE IN NET ASSETS</b>	 <b>(359,079)</b>	 <b>(155,164)</b>	 <b>(514,243)</b>
 NET ASSETS - Beginning of year	 1,777,941	 250,000	 2,027,941
 NET ASSETS - End of year	 <b>\$ 1,418,862</b>	 <b>\$ 94,836</b>	 <b>\$ 1,513,698</b>

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

**THE FRIENDS OF KING SCHOOL  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Local sources			
Per pupil aid - MFP	\$ 2,786,589	\$ -	\$ 2,786,589
Other income	85,776	250,000	335,776
State sources			
Per pupil aid - MFP	2,324,290	-	2,324,290
State grants	62,634	-	62,634
Federal grants	1,879,798	-	1,879,798
Net assets released from restrictions	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues and other support	7,139,087	250,000	7,389,087
<b>EXPENSES</b>			
Program expenses	5,357,809	-	5,357,809
Administrative expenses	1,660,955	-	1,660,955
	<hr/>	<hr/>	<hr/>
Total expenses	7,018,764	-	7,018,764
<b>CHANGE IN NET ASSETS</b>	<b>120,323</b>	<b>250,000</b>	<b>370,323</b>
<b>NET ASSETS - Beginning of year</b>	<hr/> <b>1,657,618</b>	<hr/> <b>-</b>	<hr/> <b>1,657,618</b>
<b>NET ASSETS - End of year</b>	<hr/> <b>\$ 1,777,941</b>	<hr/> <b>\$ 250,000</b>	<hr/> <b>\$ 2,027,941</b>

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



**THE FRIENDS OF KING SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2013**

	Program Expenses	Administrative Expenses	Total
EXPENSES			
Administrative fee	\$ -	\$ 166,427	\$ 166,427
Salaries	5,984,196	2,061,277	8,045,473
Payroll taxes	382,938	125,710	508,648
Employee benefits	364,531	162,409	526,940
Retirement fund contribution	379,298	136,002	515,300
Transportation	429,084	-	429,084
Dues and fees	5,038	3,440	8,478
Depreciation	-	5,180	5,180
Insurance	-	192,577	192,577
Materials and supplies	333,327	131,179	464,506
Food purchased	-	251,499	251,499
Professional services	74,109	116,684	190,793
Telephone and postage	11,805	83,490	95,295
Miscellaneous	22,335	130,896	153,231
Travel	102,918	9,163	112,081
Occupancy	-	208,177	208,177
	<b>\$ 8,089,579</b>	<b>\$ 3,784,110</b>	<b>\$ 11,873,689</b>

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

**THE FRIENDS OF KING SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2012**

EXPENSES	Program Expenses	Administrative Expenses	Total
Administrative fee	\$ -	\$ 102,304	\$ 102,304
Salaries	3,727,527	869,587	4,597,114
Payroll taxes	87,528	37,890	125,418
Employee benefits	207,725	81,279	289,004
Retirement fund contribution	835,898	142,831	978,729
Transportation	95,811	-	95,811
Dues and fees	5,535	724	6,259
Depreciation	-	5,131	5,131
Insurance	-	49,574	49,574
Materials and supplies	127,610	67,049	194,659
Food purchased	-	145,118	145,118
Professional services	97,984	90,341	188,325
Telephone and postage	33,757	3,342	37,099
Miscellaneous	9,989	56,410	66,399
Travel	31,686	5,794	37,480
Occupancy	96,759	3,581	100,340
	<b>\$ 5,357,809</b>	<b>\$ 1,660,955</b>	<b>\$ 7,018,764</b>

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

**THE FRIENDS OF KING SCHOOL  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (514,243)	\$ 370,323
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	5,180	5,131
Changes in operating assets and liabilities:		
Restricted cash	(50,775)	(3,543)
Grants receivable	(519,193)	(280,882)
Accounts receivable	(179,784)	(1,037)
Accounts payable	(24,797)	33,997
Accrued salaries and benefits	147,063	(52,170)
Funds held on behalf of others	50,775	18,762
	<b>(1,085,774)</b>	<b>90,581</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(5,236)	-
	<b>(5,236)</b>	<b>-</b>
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,091,010)</b>	<b>90,581</b>
 <b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>1,557,840</b>	<b>1,467,259</b>
 <b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 466,830</b>	<b>\$ 1,557,840</b>

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

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Organization* – 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 School's operating agreement renewal with the Louisiana Board of Elementary and Secondary Education (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 will expire on June 30, 2015 and may be renewed at the option of BESE. The School pays the Recovery School District (RSD) 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. This agreement will expire on June 30, 2016 and may be renewed at the option of BESE. The School pays RSD on behalf of the Craig School, an administrative fee amounting to 2% of all MFP revenue received.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules. Assets purchased with public funds or obtained from public sources will automatically revert to the full ownership of BESE at the time the agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

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

*Financial Statement Presentation* – The accompanying financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**THE FRIENDS OF KING SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

The School follows the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 *Not-For-Profit Entities: Presentation of Financial Statements*. Under FASB ASC 958-205, the School is required to report information regarding its financial position and activities in three classes of net assets:

*Unrestricted Net Assets* – Net assets not subject to donor-imposed restrictions.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed restrictions that will be met by the actions of the School or the passage of time. At June 30, 2012, the School had no temporarily restricted net assets.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed restrictions that are required to be maintained permanently by the School. Generally, the donors of these assets stipulate that the income earned on related investments should be used for specific purposes. At June 30, 2013 and 2012, the School had no permanently restricted net assets.

In addition, the School is required to present a statement of cash flows.

*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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and Cash Equivalents* – For purposes of the statements of cash flows, the School considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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

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

All promises to give are recognized as assets and revenues. The School had no promises to give as of June 30, 2013 and 2012.

*Equipment* – All acquisitions of equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially extend the useful lives of assets are capitalized. Equipment is stated at cost or fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of 5 – 7 years for equipment. Normal building maintenance and minor equipment purchases are included as repairs and maintenance expenses of the School.

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

Donations of equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

***Compensated Absences*** – All 10 month employees accrue 10 days of sick leave each year. All 12 month employees accrue 10 days of sick leave and 10 days of vacation pay. Any unused vacation days are paid in the subsequent year. Upon termination, the School does not compensate employees for unused sick or vacation days.

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

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

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

***Public Support and Revenue*** – The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and the Board of Elementary and Secondary Education (BESE). The School, as a Type V charter school, receives \$3,495 from the State of Louisiana (the State) and \$4,190 from BESE per eligible student in attendance at the official pupil count date of October 1<sup>st</sup> each year. MFP revenue accounts for 74% and 69% of the School's total support for the years ended June 30, 2013 and 2012, respectively. State and federal grants are on a cost reimbursement basis and account for 24% and 26% of the School's total support for the years ended June 30, 2013 and 2012, respectively.

***Donated Equipment, Services and Materials*** – Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the years ended June 30, 2013 and 2012, there were no non-cash contributions.

The School received rent-free use of a school building from the Recovery School District (RSD) and also the use of furniture and equipment rent-free. The estimated value of the use of the building and furniture/equipment was not readily determinable and no amounts have been recorded in the accompanying financial statements.

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

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**Functional Expenses** – The costs of providing the various programs and other activities are summarized in the statements of functional expenses. Certain expenses have been allocated among the programs and supporting services based on management’s estimate of the costs involved.

**Income Taxes** – The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. Management believes there are no uncertain tax positions included in the financial statements.

**Reclassification** – Certain items in the financial statements as of and for the year ended June 30, 2012 have been reclassified to conform with the current year presentation. Such reclassification had no effect on change in net assets.

**NOTE B – CONCENTRATION OF CREDIT RISK**

The School maintains cash accounts at a local financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2013 and 2012, cash deposits in excess of FDIC insured limits were \$983,010 and \$1,430,907, respectively. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

**NOTE C – EQUIPMENT**

Equipment consisted of the following as of June 30, 2013 and 2012:

	2013	2012
Equipment	\$ 33,659	\$ 28,423
Accumulated depreciation	(28,463)	(23,283)
Total equipment, net	\$ 5,196	\$ 5,140

Depreciation expense for the years ended June 20, 2013 and 2012 totaled \$5,180 and \$5,131, respectively.

**NOTE D – GRANTS RECEIVABLE**

The School received various state and federal grants to fund programs and operations. The grants are on a cost reimbursement basis and grants receivable at year-end are stated at unpaid balances for expenditures incurred during the year.

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE E – FUNDS HELD ON BEHALF OF OTHERS**

The School acts as a custodian for student activity bank accounts. Funds held on behalf of these groups amounted to \$171,723 and \$120,948 at June 30, 2013 and 2012, respectively, and are reported as both an asset (restricted cash) and a liability (funds held on behalf of others). Consequently, there is no effect on the School's net assets.

**NOTE F – LINE OF CREDIT**

The School maintains a \$300,000 unsecured line of credit with a local financial institution, which bears interest at the lender's prime rate, and matures November 13, 2014. At June 30, 2013 and 2012, the School had no outstanding borrowings under the line of credit.

**NOTE G – RETIREMENT PLANS**

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

*Teachers' Retirement System of Louisiana (TRSL)*

The TRSL provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues a publicly available financial report and includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, LA 70804-9123, or by calling (225) 925-6446.

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

Participants are required to contribute to the plan 8.0% of their annual covered payroll. For the years ended June 30, 2013 and 2012, the School is required to contribute 24.5% and 23.7%, respectively, each year of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee (the System). For the years ended June 30, 2013 and 2012, contributions to the plan totaled \$281,614 and \$951,640, respectively, and are included in retirement fund contribution on the statements of functional expenses.



**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

*Louisiana School Employees' Retirement System (LSERS)*

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

Funding Policy – Effective July 1, 2010, plan members new to LSERS are required to contribute 8.0% and plan members prior to July 1, 2010 are required to contribute 7.5% of their annual covered salary, and the School is required to contribute at an actuarially determined rate. The rate was 30.8% and 28.6% of annual eligible covered payroll for the years ended June 30, 2013 and 2012. Member contributions and employer contributions for the LSERS are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The Institute's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The School's contributions to the LSERS for the year ended June 30, 2013 and 2012 were \$30,763 and \$27,089, respectively; equal to the required contributions for this year.

Effective October 8, 2012, after receiving approval from BESE, the School withdrew from TRSL. Henceforth, the School is no longer participating in the Teachers' Retirement System of Louisiana (TRSL). The sole retirement option offered to those employed at the School is a 403(b) retirement plan.

Effective September 1, 2012, the School began sponsoring a defined contribution plan (the 403(b) Plan) covering all employees who agree to make contributions to the Plan. The School may elect to make discretionary contribution to the Plan each year. Total expense for the year ended June 30, 2013, was \$202,923.

**NOTE H – GRANT REVENUES**

For the years ended June 30, 2013 and 2012, federal grant revenues consisted of the following:

	<u>2013</u>	<u>2012</u>
Title I	\$ 693,146	\$ 585,487
Title II	128,247	-
Temporary Assistance for Needy Families	276,193	385,866
LA 4 – CDBG	245,663	-
IDEA B	187,900	135,331
Food Service	629,786	410,285
Investment in Innovation Fund	358,399	218,090
Other federal grants	49,820	144,739
	<u>49,820</u>	<u>144,739</u>
Total	<u><u>\$ 2,569,154</u></u>	<u><u>\$ 1,879,798</u></u>

**THE FRIENDS OF KING SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

For the years ended June 30, 2013 and 2012, state grant revenues consisted of the following:

	<b>2013</b>	<b>2012</b>
LA 4	\$ 50,765	\$ 24,986
Professional Improvement Program	32,759	19,144
Education Excellence	10,980	10,919
8(g)	5,114	5,611
Other state grants	1,262	1,974
Total	<b>\$ 100,880</b>	<b>\$ 62,634</b>

**NOTE I – COMMITMENTS AND CONTINGENCIES**

The School is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the years ended June 30, 2013 and 2012.

The School has employment contracts with all employees. The 9 month contracts for the 2013-2014 school year expire May 16, 2014. The 12 month contracts for the 2013-2014 school year expire June 30, 2014. All contracts provide for a minimum annual salary and other benefits.

The School is a recipient of federal and state grants. The grants are governed by various federal and state guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these grants are under the control and administration of the School and are subject to audit and/or review by the federal or state grantor. Any grant funds found to be not properly spent in accordance with the terms, conditions, and regulations of the Federal and State agencies may be subject to recapture.

**NOTE J – CORRECTION OF AN ERROR**

Subsequent to the issuance of the 2012 financial statements, the School determined that the 2012 Walton Grant revenue recorded as unrestricted should have been classified as restricted revenue. The effects of the restated amounts in the 2012 financial statements were a decrease in unrestricted net assets and a corresponding increase in temporarily restricted net assets of \$250,000.

**NOTE K – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 23, 2013, and determined that no events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion of these financial statements.

**SUPPLEMENTAL INFORMATION**

**THE FRIENDS OF KING SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Education		
Pass-through the Louisiana Department of Education		
Title I Part A-Improving the Academic Achievement of the Disadvantaged	84.010A	\$ 693,146
Title II Part A-Teacher and Principal Training and Recruiting	84.367A	128,247
Individuals with Disabilities Education Act (IDEA) Part B	84.027A	187,900
Individuals with Disabilities Education Act (IDEA) Preschool	84.173A	3,852
Charter Schools Program State Educational Agencies (SEA) Grant	84.282A	18,456
Pass-through the New Schools for New Orleans		
ARRA-Investment in Innovation Fund (i3)	84.396B	358,399
United States Department of Health and Human Services		
Pass-through the Louisiana Department of Education		
The Cecil J. Picard LA 4 Early Childhood Program (CDBG)	14.228	245,663
Temporary Assistance for Needy Families	93.558	276,193
Hurricane Katrina Foreign Contributions	84.940C	27,512
United States Department of Agriculture		
Pass-through the Louisiana Department of Education		
National School Lunch Program	10.555	<u>629,786</u>
Total expenditures of federal awards		<u><u>\$ 2,569,154</u></u>

**Notes to Schedule of Expenditures of Federal Awards**

**Note 1 – Summary of Significant Accounting Policies**

***Basis of Presentation*** – This schedule includes the federal grant activity of The Friends of King School (the School) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

***Accrued Reimbursement*** – Various reimbursement procedures are used for federal awards received by the School. Consequently, timing differences between expenditures and program reimbursements exist at the end of the year.

See independent auditors' report.

**THE FRIENDS OF KING SCHOOL  
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Compensation</u>
Hilda W. Young, President 1441 N. Galvez St. New Orleans, LA 70119	\$ -0-
George Rabb, CPA, Treasurer 611 Robert St. New Orleans, LA 70115	-0-
Sandra Monroe 4434 Touro St. New Orleans, LA 70122	-0-
Cora Charles, Secretary 1765 Coliseum St. Apt. 411 New Orleans, LA 70130	-0-
Dr. Gail Armant 7511 Spring Lake Dr. New Orleans, LA 70126	-0-
Kenya Rounds, Esq. 2475 Canal St., Ste. 200 New Orleans, LA 70119	-0-
Dr. Eartha Lee Johnson 4319 South Tonti St. New Orleans, LA 70125	-0-
Thelma Ruth 3536 Louisiana Ave. Pkwy New Orleans, LA 70125	-0-

See independent auditors' report.

**OTHER INDEPENDENT AUDITORS' REPORTS**



Certified Public Accountants & Consultants

**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 (the School) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 23, 2013.

**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 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 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.

4330 Dumaine Street  
New Orleans, LA 70119  
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.  
Mandeville, LA 70448  
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane  
P O Box 50, Pass Christian, MS 39571  
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company  
[www.silva-cpa.com](http://www.silva-cpa.com)

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Silva Gurtner & Abney, LLC*

New Orleans, Louisiana  
December 23, 2013





Certified Public Accountants & Consultants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OFFICE OF MANAGEMENT AND  
BUDGET (OMB) CIRCULAR A-133**

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 (the School) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2013. The 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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, 2013.

4330 Dumaine Street  
New Orleans, LA 70119  
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.  
Mandeville, LA 70448  
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane  
P O Box 50, Pass Christian, MS 39571  
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company  
[www.silva-cpa.com](http://www.silva-cpa.com)

## **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 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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.

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of The Friends of King School as of and for the year ended June 30, 2013, and have issued our report thereon dated December 23, 2013, which contained an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Silva Gurtner & Abney, LLC*

New Orleans, Louisiana  
December 23, 2013

**THE FRIENDS OF KING SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Section I - Summary of Auditors' Results**

Financial Statements

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

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	_____ yes	_____ <u>X</u> no	
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ <u>X</u> none reported	
Type of auditors' report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	_____ yes	_____ <u>X</u> no	

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title I Part A-Improving the Academic Achievement of the Disadvantaged
84.396B	ARRA-Investment in Innovation Fund (i3)

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

**Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards***

No findings or questioned costs noted for the year ended June 30, 2013.

**Section III – Findings and questioned costs for federal awards under OMB Circular A-133 §510(a)**

No findings or questioned costs noted for the year ended June 30, 2013.

**THE FRIENDS OF KING SCHOOL  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards***

No prior year findings or questioned costs noted.

**Section III – Findings and questioned costs for federal awards under OMB Circular A-133 §510(a)**

No prior year findings or questioned costs noted.

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



Certified Public Accountants & Consultants

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of The Friends of King School and the Legislative Auditor, State of Louisiana (the specified parties), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of The Friends of King School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Management of The Friends of King School is responsible for its performance and statistical data. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards* published by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

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

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

Findings: None noted.

4330 Dumaine Street  
New Orleans, LA 70119  
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.  
Mandeville, LA 70448  
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane  
P O Box 50, Pass Christian, MS 39571  
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company  
[www.silva-cpa.com](http://www.silva-cpa.com)

### **Education Levels of Public School Staff (Schedule 2)**

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

Findings: None noted.

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Findings: None noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 5 teachers to the individual’s personnel file and determine if the individual’s education level was properly classified on the schedule.

Findings: None noted.

### **Number and Type of Public Schools (Schedule 3)**

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

Findings: None noted.

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

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

Findings: None noted.

### **Public School Staff Data (Schedule 5)**

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 5 teachers to the individual’s personnel file and determined if the individual’s salary, extra compensation, and full-time equivalents were properly included on the schedule.

Findings: None noted.

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

Findings: None noted.



### **Class Size Characteristics (Schedule 6)**

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

Findings: Of the 10 classes selected, we noted 2 instances in which the information reflected on the student roster did not agree with the information reported in the Site Teacher Roster generated from Louisiana Education Accountability Data System (LEADS).

Based on discussions with management, the Site Teacher Roster is being revised to eliminate all instances in which duplicate classes are reported.

### **Louisiana Educational Assessment Program (LEAP) (Schedule 7)**

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by The Friends of King School.

Findings: None noted.

### **Graduation Exit Exam (Schedule 8)**

11. Information is not applicable for 2013, and is shown for historical purposes

Findings: None noted.

### **iLEAP Test Results (Schedule 9)**

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by The Friends of King School.

Findings: None noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the performance and statistical data accompanying the annual financial statements of The Friends of King School. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of The Friends of King School, the Board of Directors, the Louisiana Department of Education, and the Legislative Auditor, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Silva Gurtner & Alney, LLC*

New Orleans, Louisiana  
December 23, 2013

**THE FRIENDS OF KING SCHOOL  
SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)  
FOR THE YEAR ENDED JUNE 30, 2013**

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and non-public textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph.D. or Ed.D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

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

**Schedule 4 - Experience of Public Principal, Assistant Principal and Full-time Classroom Teachers**

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

**Schedule 5 - Public School Staff Data**

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

**Schedule 6 - Class Size Characteristics**

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

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 - The Graduation Exit Exam (GEE)**

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advances, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 9 - The iLEAP Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, and 7 for each district. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. This schedule includes one period of data.



**THE FRIENDS OF KING SCHOOL**  
**SCHEDULE 2 - EDUCATION LEVELS OF PUBLIC SCHOOL STAFF**  
**AS OF OCTOBER 1, 2012**

Category	Full Time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0%	-	0%	-	0%	-	0%
Bachelor's Degree	47	62%	1	100%	-	0%	-	0%
Master's Degree	23	30%	-	0%	1	33%	-	0%
Master's Degree + 30	6	8%	-	0%	-	0%	-	0%
Specialist in Education	-	0%	-	0%	-	0%	-	0%
Ph. D or Ed. D	-	0%	-	0%	2	67%	-	0%
Total	76	100%	1	100%	3	100%	-	0%

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

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 3 - NUMBER AND TYPE OF PUBLIC SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2013**

Type	Number
Elementary	1
Middle/Jr. High	-
Secondary	-
Combination	1
TOTAL	2

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

**THE FRIENDS OF KING SCHOOL**  
**SCHEDULE 4 - EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT**  
**PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS**  
**AS OF OCTOBER 1, 2012**

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	TOTAL
Assistant Principals	-	-	-	-	-	-	-	-
Principals	-	-	-	-	-	1	2	3
Classroom Teachers	18	3	10	11	8	10	17	77
<b>TOTAL</b>	18	3	10	11	8	11	19	80

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

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 5 - PUBLIC SCHOOL STAFF DATA  
FOR THE YEAR ENDED JUNE 30, 2013**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers Salary Including Extra Compensation	\$49,019	\$48,445
Average Classroom Teachers Salary Excluding Extra Compensation	\$48,993	\$48,413
Number of Teacher Full-Time Equivalent (FTE's) Used in Computation of Average Salaries	77	62

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

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 6 - CLASS SIZE CHARACTERISTICS  
AS OF OCTOBER 1, 2012**

<b>SCHOOL TYPE</b>	<b>CLASS SIZE RANGE</b>							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	25%	76	27%	83	6%	18	0%	1
Elementary Activity Classes	4%	11	4%	13	2%	5	0%	-
Middle	0%	-	0%	-	0%	-	0%	-
Middle Activity Classes	0%	-	0%	-	0%	-	0%	-
High	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
Combination	16%	48	4%	13	1%	4	7%	21
Combination Activity Classes	1%	3	1%	4	0%	-	1%	3

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



**THE FRIENDS OF KING SCHOOL**  
**SCHEDULE 7 - LOUISIANA EDUCATION ASSESSMENT PROGRAM (LEAP)**  
**FOR THE YEAR ENDED JUNE 30, 2013**

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	5	4.59%	1	2%	3	5%	4	3.67%	0	0%	5	9%
Mastery	13	11.93%	18	29%	15	27%	15	13.76%	24	39%	23	42%
Basic	55	50.46%	34	55%	31	57%	50	45.87%	30	49%	19	35%
Approaching Basic	24	22.02%	5	8%	6	11%	19	17.43%	4	6%	5	9%
Unsatisfactory	12	11.01%	4	6%	0	0%	21	19.27%	4	6%	3	5%
Total	109	100%	62	100%	55	100%	109	100%	62	100%	55	100%

  

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0.00%	3	5%	0	0%	0	0.00%	0	0%	0	0%
Mastery	9	8.41%	6	10%	7	13%	5	4.67%	9	14%	13	24%
Basic	41	38.32%	27	43%	37	67%	54	50.47%	34	55%	33	59%
Approaching Basic	34	31.78%	23	37%	9	16%	28	26.17%	13	21%	8	15%
Unsatisfactory	23	21.50%	3	5%	2	4%	20	18.69%	6	10%	1	2%
Total	107	100%	62	100%	55	100%	107	100%	62	100%	55	100%

  

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	1.30%	0	0%	2	5%	0	0.00%	0	0%	0	0%
Mastery	8	10.39%	8	21%	5	13%	0	0.00%	1	3%	4	10%
Basic	34	44.16%	22	58%	21	55%	38	49.35%	29	76%	31	82%
Approaching Basic	27	35.06%	8	21%	9	24%	25	32.47%	7	18%	3	8%
Unsatisfactory	7	9.09%	0	0%	1	3%	14	18.18%	1	3%	0	0%
Total	77	100%	38	100%	38	100%	77	100%	38	100%	38	100%

  

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0.00%	1	3%	0	0%	0	0.00%	0	0%	0	0%
Mastery	2	2.63%	3	8%	9	24%	2	2.60%	4	11%	11	29%
Basic	32	42.11%	21	55%	17	45%	42	54.55%	26	68%	23	60%
Approaching Basic	31	40.79%	13	34%	10	26%	22	28.57%	7	18%	4	11%
Unsatisfactory	11	14.47%	0	0%	2	5%	11	14.29%	1	3%	0	0%
Total	76	100%	38	100%	38	100%	77	100%	38	100%	38	100%

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

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 8 - THE GRADUATION EXIT EXAM (GEE)  
FOR THE YEAR ENDED JUNE 30, 2013**

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	N/A	N/A	N/A	N/A	0	0%	N/A	N/A	N/A	N/A	0	0%
Proficient	N/A	N/A	N/A	N/A	0	0%	N/A	N/A	N/A	N/A	3	8%
Basic	N/A	N/A	N/A	N/A	22	58%	N/A	N/A	N/A	N/A	29	79%
Approaching Basic	N/A	N/A	N/A	N/A	12	31%	N/A	N/A	N/A	N/A	5	13%
Unsatisfactory	N/A	N/A	N/A	N/A	3	11%	N/A	N/A	N/A	N/A	0	0%
Total	N/A	N/A	N/A	N/A	37	100%	N/A	N/A	N/A	N/A	37	100%

  

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	N/A	N/A	0	0%	0	0%	N/A	N/A	0	0%	0	0%
Proficient	N/A	N/A	3	8%	0	0%	N/A	N/A	0	0%	0	0%
Basic	N/A	N/A	20	51%	6	23%	N/A	N/A	27	69%	13	50%
Approaching Basic	N/A	N/A	14	36%	12	46%	N/A	N/A	8	21%	7	27%
Unsatisfactory	N/A	N/A	2	5%	8	31%	N/A	N/A	4	10%	6	23%
Total	N/A	N/A	39	100%	26	100%	N/A	N/A	39	100%	26	100%

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

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 9 - iLEAP TEST RESULTS  
FOR THE YEAR ENDED JUNE 30, 2013**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2013		2012		2011		2013		2012		2011		2013		2012		2011		2013		2012		2011	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 3																								
Advanced	8	9%	0	0%	3	5%	4	5%	1	1%	3	5%	1	1%	1	1%	0	0%	1	1%	0	0%	0	0%
Mastery	14	16%	19	27%	13	19%	26	30%	10	14%	13	19%	12	14%	8	12%	5	7%	11	13%	4	6%	7	10%
Basic	42	49%	24	35%	37	55%	37	43%	38	55%	32	48%	41	48%	35	50%	32	48%	38	44%	39	56%	39	58%
Approaching Basic	13	15%	19	27%	8	12%	7	8%	11	16%	14	21%	23	27%	18	26%	26	39%	23	27%	18	26%	15	23%
Unsatisfactory	9	11%	8	11%	6	9%	12	14%	10	14%	5	7%	9	10%	8	12%	4	6%	13	15%	9	12%	6	9%
Total	86	100%	70	100%	67	100%	86	100%	70	100%	67	100%	86	100%	70	100%	67	100%	86	100%	70	100%	67	100%

  

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2013		2012		2011		2013		2012		2011		2013		2012		2011		2013		2012		2011	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 5																								
Advanced	0	0%	0	0%	1	2%	0	0%	0	0%	2	4%	0	0%	0	0%	2	4%	0	0%	0	0%	0	0%
Mastery	14	18%	4	7%	11	20%	2	3%	2	4%	6	11%	5	6%	3	5%	4	7%	1	1%	0	0%	6	11%
Basic	43	53%	36	63%	37	66%	37	46%	31	54%	28	50%	33	42%	20	35%	22	39%	37	46%	23	40%	37	66%
Approaching Basic	14	18%	14	25%	7	12%	27	34%	13	23%	17	30%	25	31%	26	46%	21	38%	27	34%	16	28%	8	14%
Unsatisfactory	9	11%	3	5%	0	0%	14	18%	11	19%	3	5%	17	21%	8	14%	7	12%	15	19%	18	32%	5	9%
Total	80	100%	57	100%	56	100%	80	100%	57	100%	56	100%	80	100%	57	100%	56	100%	80	100%	57	100%	56	100%

(Continued)

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

**THE FRIENDS OF KING SCHOOL  
SCHEDULE 9 - iLEAP TEST RESULTS  
FOR THE YEAR ENDED JUNE 30, 2013**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2013		2012		2011		2013		2012		2011		2013		2012		2011		2013		2012		2011	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 6																								
Advanced	1	1%	1	2%	0	0%	1	1%	1	2%	0	0%	1	1%	0	0%	0	0%	1	1%	3	6%	2	4%
Mastery	9	11%	9	19%	11	20%	5	6%	5	10%	3	5%	2	2%	3	6%	3	5%	4	5%	6	12%	10	18%
Basic	45	52%	33	67%	34	62%	42	49%	28	57%	35	64%	26	31%	23	47%	34	62%	30	35%	17	35%	33	60%
Approaching Basic	23	27%	6	12%	10	18%	18	21%	9	19%	9	16%	37	43%	18	37%	14	26%	32	37%	15	31%	7	13%
Unsatisfactory	8	9%	0	0%	0	0%	20	23%	6	12%	8	15%	20	23%	5	10%	4	7%	19	22%	8	16%	3	5%
Total	86	100%	49	100%	55	100%	86	100%	49	100%	55	100%	86	100%	49	100%	55	100%	86	100%	49	100%	55	100%

  

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2013		2012		2011		2013		2012		2011		2013		2012		2011		2013		2012		2011	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 7																								
Advanced	2	1%	0	0%	1	2%	1	1%	0	0%	0	0%	1	1%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	12	15%	8	16%	7	16%	3	4%	3	6%	1	2%	7	9%	5	10%	1	2%	4	4%	5	10%	5	11%
Basic	37	45%	34	67%	25	59%	39	48%	34	66%	30	70%	25	30%	23	45%	22	51%	38	46%	26	51%	25	59%
Approaching Basic	20	24%	9	17%	9	21%	24	29%	11	22%	9	21%	33	40%	22	43%	17	40%	19	23%	13	25%	8	19%
Unsatisfactory	12	15%	0	0%	1	2%	15	18%	3	6%	3	7%	17	20%	1	2%	3	7%	22	27%	7	14%	5	11%
Total	83	100%	51	100%	43	100%	82	100%	51	100%	43	100%	83	100%	51	100%	43	100%	83	100%	51	100%	43	100%

  

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 9												
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(Concluded)

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