

NEW HARMONY HIGH INSTITUTE
FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
New Harmony High Institute dba
New Harmony High School
New Orleans, LA 70119

Report on the Financial Statements

We have audited the accompanying financial statements of New Harmony High Institute (a non-profit organization) dba New Harmony High School (hereafter New Harmony High), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the periods 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Harmony High of June 30, 2020 and 2019, and the results of its operations and cash flows for the periods then ended in conformity 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 Compensation, Benefits and Other Payments to the School Leader, 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020, on our consideration of New Harmony High's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 New Harmony High'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 New Harmony High's internal control over financial reporting and compliance.



Daigrepont & Brian, APAC
Baton Rouge, LA

December 7, 2020

**NEW HARMONY HIGH INSTITUTE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash	\$ 845,161	\$ 365,276
Accounts receivable, net	62,418	30,943
Other current assets	29,333	62,060
Total Current Assets	<u>936,912</u>	<u>458,279</u>
Total Assets	<u>\$ 936,912</u>	<u>\$ 458,279</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 28,698	\$ 38,463
Other current liabilities	21,570	7,748
Total Current Liabilities	<u>50,268</u>	<u>46,211</u>
Total Liabilities	<u>50,268</u>	<u>46,211</u>
Net Assets		
Net assets without donor restrictions	886,644	332,068
Net assets with donor restrictions	-	80,000
Total Net Assets	<u>886,644</u>	<u>412,068</u>
Total Liabilities and Net Assets	<u>\$ 936,912</u>	<u>\$ 458,279</u>

See accompanying notes and independent auditors' report.

**NEW HARMONY HIGH INSTITUTE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED JUNE 30, 2020**

REVENUES	Without Donor Restrictions	With Donor Restrictions	Total
Minimum Foundation Program	\$ 1,183,504	-	\$ 1,183,504
Federal grants	141,898	-	141,898
Private grants	-	1,605,677	1,605,677
Paycheck Protection Grant	220,400		220,400
Interest income	7,638	-	7,638
Other income	5,076	-	5,076
Changes in net asset restrictions:			
Released from restrictions	<u>1,685,677</u>	<u>(1,685,677)</u>	<u>-</u>
Total Revenues	3,244,193	(80,000)	3,164,193
 EXPENSES			
Program services	2,332,103	-	2,332,103
Management and general	<u>357,514</u>	<u>-</u>	<u>357,514</u>
Total Expenses	2,689,617	-	2,689,617
 CHANGE IN NET ASSETS	 554,576	 (80,000)	 474,576
Net assets - beginning of year	<u>332,068</u>	<u>80,000</u>	<u>412,068</u>
Net assets - end of year	<u>\$ 886,644</u>	<u>\$ -</u>	<u>\$ 886,644</u>

See accompanying notes and independent auditors' report.

**NEW HARMONY HIGH INSTITUTE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED JUNE 30, 2019**

REVENUES	Without Donor Restrictions	With Donor Restrictions	Total
Minimum Foundation Program	\$ 492,862	-	\$ 492,862
Federal grants	30,943	-	30,943
Private grants	-	990,772	990,772
Interest income	6,861	-	6,861
Other income	15,078	-	15,078
Changes in net asset restrictions:			
Released from restrictions	910,772	(910,772)	-
Total Revenues	1,456,516	80,000	1,536,516
EXPENSES			
Program services	1,532,929	-	1,532,929
Management and general	191,621	-	191,621
Total Expenses	1,724,550	-	1,724,550
CHANGE IN NET ASSETS	(268,034)	80,000	(188,034)
Net assets - beginning of year	600,102	-	600,102
Net assets - end of year	<u>\$ 332,068</u>	<u>\$ 80,000</u>	<u>\$ 412,068</u>

See accompanying notes and independent auditors' report.

**NEW HARMONY HIGH INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD ENDED JUNE 30, 2020**

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Curriculum Materials & Software	\$ 13,312	\$ -	\$ 13,312
Employee Benefits	124,361	17,664	142,025
Food Service	48,309	-	48,309
Insurance	25,506	6,377	31,883
Miscellaneous	7,362	1,841	9,203
Payroll Taxes	96,592	13,720	110,312
Rent	201,834	50,459	252,293
Repairs & Maintenance	131,774	32,943	164,717
Salaries & Wages	965,209	180,346	1,145,555
Supplies	138,157	10,391	148,548
Technical & Professional Services	365,497	28,809	394,306
Telephone	4,286	1,072	5,358
Transportation	154,335	-	154,335
Travel	1,250	312	1,562
Utilities	54,319	13,580	67,899
	<u>\$ 2,332,103</u>	<u>\$ 357,514</u>	<u>\$ 2,689,617</u>

See accompanying notes and independent auditors' report.

**NEW HARMONY HIGH INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD ENDED JUNE 30, 2019**

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Curriculum Materials & Software	\$ 12,913	\$ -	\$ 12,913
Employee Benefits	73,819	10,485	84,304
Food Service	53,344	-	53,344
Insurance	12,635	3,159	15,794
Miscellaneous	14,592	3,648	18,240
Payroll Taxes	56,751	8,061	64,812
Rent	73,523	18,381	91,904
Repairs & Maintenance	3,770	942	4,712
Salaries & Wages	598,997	85,080	684,077
Supplies	148,261	6,487	154,748
Technical & Professional Services	274,411	49,856	324,267
Telephone	6,047	1,512	7,559
Transportation	187,823	-	187,823
Travel	15,245	3,811	19,056
Utilities	798	199	997
	<u>\$ 1,532,929</u>	<u>\$ 191,621</u>	<u>\$ 1,724,550</u>

See accompanying notes and independent auditors' report.

**NEW HARMONY HIGH INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 474,576	\$ (188,034)
<u>Adjustments to reconcile net revenues over expenses to net cash used in operating activities:</u>		
Increase in accounts receivable	(31,475)	(30,943)
(Increase) decrease in other current assets	32,727	(54,304)
Increase (decrease) in accounts payable	(9,765)	27,561
Increase in other current liabilities	13,822	970
Total adjustments	5,309	(56,716)
Net cash provided by (used in) operating activities	<u>479,885</u>	<u>(244,750)</u>
INCREASE (DECREASE) IN CASH	479,885	(244,750)
CASH, BEGINNING OF YEAR	<u>365,276</u>	<u>610,026</u>
CASH, END OF YEAR	<u>\$ 845,161</u>	<u>\$ 365,276</u>

See accompanying notes and independent auditors' report.

**NEW HARMONY HIGH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

1. Summary of Significant Accounting Policies

(a) Organization

The New Harmony High Institute (the School) was incorporated on October 31, 2016 as a non-profit corporation under the laws of the State of Louisiana. The school was approved as a Type 2 charter by the Louisiana Board of Elementary and Secondary Education (BESE) on July 1, 2018. The School opened for students beginning with the 2018-2019 school year.

The charter contract is effective for an initial period of four years and will terminate on July 1, 2022 unless extended for a maximum of five years contingent upon the results of a review by BESE of the School's operations and compliance.

(b) Basis of Accounting

The financial statements of the School have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

(c) Revenues

The School receives the majority of its revenue from the Minimum Foundation Program (MFP). The amount of the MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes. The allocation calculation is primarily based on the student enrollment at the School and is recognized monthly when received.

Federal and state funds are passed through the Louisiana Department of Education. The School's federal grant funding is on a cost reimbursement basis and is recognized as earned once the expenditures have been incurred.

The School receives the majority of its revenue from the XQ Institute (XQ) in the form of a five year grant to support the School's unique education curriculum. The grant is paid in accordance with a disbursement schedule, dictated by an annually approved grant budget. Revenue is recognized as restricted until budgeted expenditures have been incurred.

The School received additional federal funding in the form of a forgivable SBA loan for the purpose of maintaining the School's staffing during the Covid-19 Pandemic of 2020. This funding was issued as a loan with stipulations that the loan would be forgivable up to the full amount of the loan if the funds were used for particular expenditures. As of June 30, 2020, the School has substantially met the conditions of forgiveness and has recognized the loan amount as revenue.

(d) Net Assets

The School reports information regarding its financial positions and activities according to two classes of net assets.

Net Assets Without Donor Restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

**NEW HARMONY HIGH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

1. Summary of Significant Accounting Policies (continued)

(d) Net Assets (continued)

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met, either by actions of the organization, and/or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions. The School has \$0 and \$80,000 in assets with donor restrictions as of June 30, 2020 and 2019, respectively.

(e) Cash

Cash consists of bank deposits held with financial institutions and cash on hand.

(f) Accounts and Grants Receivable

Accounts receivable represent amounts due under federal and state grant programs as well as contributions. The grant programs are reimbursable in nature and revenue is recognized as a receivable once the expenditures are incurred. Contributions are recognized at estimated fair value when the donor makes a pledge to give when it is an unconditional promise. The School does not recognize a conditional promise to give until the conditions upon which the promise depends are substantially met.

(g) Functional Expenses

The School allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program, such as curriculum supplies, are allocated directly according to their natural expense classification. Other expenses that are attributable to both the program and general and administrative are based on management's estimate of time, percentage, or square footage used, among other factors.

(h) Income Taxes

The School accounts for income taxes in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The School files information returns in the U.S. federal jurisdiction. The School filed its first federal information return for tax year 2019 which is still subject to examination by the IRS.

(i) Use of Estimates

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

**NEW HARMONY HIGH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

(k) Recently Issued Accounting Standards

Effective July 1, 2019, the School adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU and all subsequently issued clarifying ASUs replaced most revenue recognition guidance in U.S. GAAP and addresses how an entity should recognize revenue derived from various contracts with customers that generate revenue, along with requiring additional disclosures related to the nature, amount, and timing of revenue and cash flows arising from contracts with customers. Primarily, the update requires the organization to evaluate the various performance obligations related to its contracts with customers, allocate the transaction price to the various performance obligations, and recognize revenue as performance obligations are satisfied. The standard was adopted using the modified retrospective method.

Effective July 1, 2019, the School adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves the guidance for contributions received and contributions made, and provides guidance to organizations on how to account for transactions as contributions or exchange transactions. In addition, it clarifies whether a contribution is conditional.

The adoption of these standards did not result in any changes to beginning net assets at July 1, 2019. Based on the School's evaluation process and review of its grant contracts and contribution award documentation, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standards.

2. Concentrations

Financial instruments, which potentially subject the School to concentration of credit risk, consist of cash accounts held with a bank. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. As of June 30, 2020 and 2019 there was \$603,289 and \$159,763 in cash balances in excess of FDIC insured limits.

The School receives the majority of its operating revenue from the both private and public grant funding in the form of the XQ Super School Grant and the State of Louisiana funded Minimum Foundation program. The percentage of revenue and receivables from these sources in excess of 10% is as follows:

**NEW HARMONY HIGH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

2. Concentrations (continued)

2020	Revenue	Receivables
XQ Institute	50%	N/A
Minimum Foundation Program	37%	N/A
Title IA	N/A	16%
High Cost Services	N/A	75%
2019	Revenue	Receivables
XQ Institute	64%	N/A
Minimum Foundation Program	32%	N/A
Title IA	N/A	47%
IDEA	N/A	42%

3. Leases

In April of 2019, the School entered into a lease agreement with Our Lady of the Rosary Catholic Church. Under these agreement, effective July 1, 2019, the lessor will provide the School with an adequate school building, cafeteria and parking space to conduct school activities. Per terms of the agreement, the School pays \$20,833 per month for one year and has the option to renew for an additional term under the same terms of the current lease. The total facility rental expense for the years ended June 30, 2020 and 2019 is \$250,000 and \$79,793.

4. Compensated Absences

Employees earn vacation and sick pay based on various factors such as length of service and job title. Any unused vacation is paid out at the end of the year and does not carry over to the following year. Therefore, there are no compensated absences accrued at June 30, 2020 and 2019.

5. Retirement Plan

The School offers a 401(k) retirement plan for eligible employees. Eligibility to participate in the plan is based on the employee's age, length of service, and various other factors. The School does not participate in the Teacher's Retirement System of Louisiana (TRSL).

For the years ended June 30, 2020 and 2019, the amount paid related to the School's retirement plan was \$33,710 and \$21,123.

6. Commitments and Contingencies

The School receives grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the School's management that its compliance with the terms of the grants will not result in any disallowed costs.

**NEW HARMONY HIGH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

7. Liquidity and Availability of Financial Assets

The following reflects the School's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of a contractual or donor imposed restriction within one year of the statement of financial position date.

Financial Assets at Year End:	2020	2019
Cash	\$ 845,161	\$ 365,276
Accounts Receivable, net	62,418	30,943
	<u>907,579</u>	<u>396,219</u>
Unavailable for General Expenditures		
Net Assets with donor restrictions	-	80,000
Financial Assets Available for General Expenditures	<u>\$ 907,579</u>	<u>\$ 316,219</u>

As part of the School's liquidity management, cash is kept in a checking account that can be accessed to meet daily needs of the organization. These funds can also be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress.

8. Reclassification

Certain amounts included in the prior year financial statements have been reclassified to conform to the current year presentation.

9. Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through December 7, 2020, which is the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the responses to curb its spread, the School is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

**NEW HARMONY HIGH INSTITUTE
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE SCHOOL LEADER
FOR THE PERIOD ENDED JUNE 30, 2020**

School Leader	S. Summers
Salary	\$ 101,000
Benefits - health insurance	6,428
Benefits - retirement	4,040
Benefits - Fica & Medicare	7,731
Reimbursements	583
Conference Travel	176
	<u>\$ 119,958</u>

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

Board of Directors
New Harmony High Institute dba
New Harmony High School
New Orleans, LA 70119

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 New Harmony High Institute (a non-profit organization) which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the periods then ended, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Harmony High Institute'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 New Harmony High Institute'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 the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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 organization'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 organization'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.

A handwritten signature in black ink that reads "Daigrepoint & Brian APAC". The signature is written in a cursive, flowing style.

Daigrepoint & Brian, APAC

Baton Rouge, LA

December 7, 2020

**NEW HARMONY HIGH INSTITUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD ENDED JUNE 30, 2020**

We have audited the financial statements of New Harmony High Institute (a non-profit organization), as of June 30, 2020 for the year ended, and have issued our report thereon dated December 7, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Summary of Auditors' Reports

Financial Statements

Type of auditors' report issued:	Unmodified
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Findings - Financial Statement Audit

There are no findings for the year ended June 30, 2020.

Questioned Costs

There are no questioned costs for the year ended June 30, 2020.

**NEW HARMONY HIGH INSTITUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD ENDED JUNE 30, 2019**

Summary of Prior Audit Findings

There are no findings for the year ended June 30, 2019.

Questioned Costs

There are no questioned costs for the year ended June 30, 2019.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
New Harmony High Institute dba
New Harmony High School
New Orleans, LA 70119

We have performed the procedures enumerated below, which were agreed to by the management of New Harmony High Institute dba New Harmony High School (hereafter New Harmony High) and the Legislative Auditor, State of Louisiana, on the performance and statistical data accompanying the annual financial statements of New Harmony High for the fiscal year ended June 30, 2020; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education in compliance with Louisiana Revised Statute 24:514.1. Management of New Harmony High is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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)

Procedure #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 on the Schedule:

- Total General Fund 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

Results of Procedure #1

In performing the testing on the sample of expenditures/revenues, we noted no transactions that were inappropriately classified or that were recorded at an inappropriate amount.

Class Size Characteristics (Schedule 2)

Procedure #2

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

Results of Procedure #2

No discrepancies were noted between the classes reported on the Schedule and those in the roll books.

Education Levels/Experience of Public School Staff (No Schedule)

Procedure #3

We obtained October 1, 2019 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 (or all individuals if less than 25), 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.

Results of Procedure #3

No differences were noted between the PEP data information provided and the information in the personnel files.

Public School Staff Data: Average Salaries (No Schedule)

Procedure #4

We obtained June 30, 2020 PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalents, and obtained management's representation that the data/list was complete. We then selected 25 individuals (or all individuals if less than 25), traced to each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Results of Procedure #4

No differences were noted between the salary information reported on the PEP data report provided by management and the supporting records.

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

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



Daigrepoint & Brian
Baton Rouge, LA

December 7, 2020

NEW HARMONY HIGH INSTITUTE dba
NEW HARMONY HIGH SCHOOL
NEW ORLEANS, LA

Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)
As of and for the Year Ended June 30, 2020

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 nonpublic 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 – 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 Financial and Statistical Report (AFSR).

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**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2020**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 324,910	
Other Instructional Staff Activities	-	
Instructional Staff Employee Benefits	82,726	
Purchased Professional and Technical Services	238,697	
Instructional Materials and Supplies	130,448	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 776,781
Other Instructional Activities		11,242
Pupil Support Activities	580,260	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	580,260
Instructional Staff Services	-	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	-
School Administration	309,836	
Less: Equipment for School Administration	-	
Net School Administration	-	309,836
Total General Fund Instructional Expenditures (Total of Column B)		\$1,678,119
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$ -

See accompanying independent accountant's report on applying agreed-upon procedures

**NEW HARMONY HIGH INSTITUTE dba
NEW HARMONY HIGH SCHOOL
NEW ORLEANS, LA**

**Class Size Characteristics
As of October 1, 2019**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High	99%	83	1%	1				
High Activity Classes	50%	1	50%	1				
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.

See accompanying independent accountant's report on applying agreed-upon procedures