

NEW HARMONY HIGH INSTITUTE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

Table of Contents

Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to the Financial Statements	9-13
Supplementary Information	
Schedule of Compensation, Benefits and Other Payments to the School Leader	14
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	15-16
Schedule of Findings and Questioned Costs	17
Schedule of Prior Year Findings and Questioned Costs	18
Other Information	
Independent Accountant's Report on Applying Agreed Upon Procedures	19-20
Schedule Descriptions	21
Performance and Statistical Data	22-23

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, 2021 and 2020, 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 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 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 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Harmony High as of June 30, 2021 and 2020, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were 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 audits 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 1, 2021, 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 1, 2021

**NEW HARMONY HIGH INSTITUTE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash	\$ 965,352	\$ 845,161
Accounts receivable, net	105,135	62,418
Prepays	20,833	7,500
Deposits	21,833	21,833
Total Current Assets	<u>1,113,153</u>	<u>936,912</u>
Total Assets	<u>\$ 1,113,153</u>	<u>\$ 936,912</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 28,400	\$ 28,698
Accrued payroll	58,518	21,570
Total Current Liabilities	<u>86,918</u>	<u>50,268</u>
Total Liabilities	86,918	50,268
Net Assets		
Net assets without donor restrictions	<u>1,026,235</u>	<u>886,644</u>
Total Net Assets	<u>1,026,235</u>	<u>886,644</u>
Total Liabilities and Net Assets	<u>\$ 1,113,153</u>	<u>\$ 936,912</u>

See accompanying notes and independent auditors' report.

**NEW HARMONY HIGH INSTITUTE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Minimum Foundation Program	\$ 2,000,568	\$ -	\$ 2,000,568
Federal grants	343,005	-	343,005
Private grants	-	1,116,160	1,116,160
Other income	18,679	-	18,679
Changes in net asset restrictions:			
Released from restrictions	1,116,160	(1,116,160)	-
Total Revenues	3,478,412	-	3,478,412
EXPENSES			
Program services	2,974,158	-	2,974,158
Management and general	364,663	-	364,663
Total Expenses	3,338,821	-	3,338,821
CHANGE IN NET ASSETS	139,591	-	139,591
Net assets - beginning of year	886,644	-	886,644
Net assets - end of year	<u>\$ 1,026,235</u>	<u>\$ -</u>	<u>\$ 1,026,235</u>

See accompanying notes and independent auditors' report.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Minimum Foundation Program	\$ 1,183,504	\$ -	\$ 1,183,504
Federal grants	141,898	-	141,898
Private grants	-	1,605,677	1,605,677
PPP loan forgiveness	220,400	-	220,400
Other income	12,714	-	12,714
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	<u>2,689,617</u>	<u>-</u>	<u>2,689,617</u>
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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Management & General</u>	<u>Total</u>
Curriculum materials & software	\$ 92,640	\$ -	\$ 92,640
Employee benefits	176,174	7,275	183,449
Food service	92,164	-	92,164
Insurance	22,405	12,255	34,660
Office expenses	8,328	29,144	37,472
Payroll taxes	136,563	7,118	143,681
Professional development	16,335	5,445	21,780
Rent	151,255	100,836	252,091
Repairs & maintenance	85,633	57,088	142,721
Salaries & wages	1,673,146	88,602	1,761,748
Supplies	82,446	15,880	98,326
Technical & professional services	276,605	30,687	307,292
Transportation	144,965	-	144,965
Utilities	15,499	10,333	25,832
	<u>\$ 2,974,158</u>	<u>\$ 364,663</u>	<u>\$ 3,338,821</u>

See accompanying notes and independent auditors' report.

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

	Program Services	Management & General	Total
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 CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 139,591	\$ 474,576
<u>Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:</u>		
PPP loan forgiveness	-	(220,400)
Increase in accounts receivable	(42,717)	(31,475)
Decrease in deposits	-	12,000
(Increase) Decrease in prepaids	(13,333)	20,727
Decrease in accounts payable	(298)	(9,765)
Increase in accrued payroll	36,948	13,822
Total adjustments	<u>(19,400)</u>	<u>(215,091)</u>
Net cash provided by operating activities	120,191	259,485
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan	-	220,400
Net cash provided by financing activities	<u>-</u>	<u>220,400</u>
INCREASE IN CASH	120,191	479,885
CASH, BEGINNING OF YEAR	<u>845,161</u>	<u>365,276</u>
CASH, END OF YEAR	<u>\$ 965,352</u>	<u>\$ 845,161</u>

See accompanying notes and independent auditors' report.

**NEW HARMONY HIGH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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 in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the School to report information regarding its financial position and activities according to the following net asset classifications:

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.

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.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

(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, at which time all performance obligations have also been satisfied.

The School receives 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 has determined that all performance obligations pertaining to unconditional promises to give are satisfied at the time of collection. Conditional promises to give, with a measurable performance or other barrier and a right of return are satisfied once the conditions on which they depend have been met. The School does not have any activity that would give rise to variable consideration.

**NEW HARMONY HIGH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

1. Summary of Significant Accounting Policies (continued)

(d) Cash

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. During the year, cash may consist of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes.

(e) Accounts and Grants Receivable

Accounts receivable represent amounts due under federal and state grant programs and, at times, contributions. The grant programs are reimbursable in nature and revenue is recognized as a receivable once the expenditures are incurred. Receivables are written off when deemed uncollectible by management and recoveries, if any, are recorded when received.

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. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. Any discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

(f) 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.

(g) 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 is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The School files information returns in the U.S. federal jurisdiction. The School is not subject to U.S. federal income tax examinations by tax authorities beyond three years from the filing of those returns.

(h) 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 YEARS ENDED JUNE 30, 2021 AND 2020**

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. The School maintains cash in financial institutions which often exceed the FDIC limits. Management does not believe that it is exposed to any significant credit risk on uninsured amounts.

The School receives the majority of its operating revenue from 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:

2021	Revenue	Receivables
MFP	58%	N/A
Federal Grants	10%	100%
Private Grants	31%	N/A
2020	Revenue	Receivables
MFP	37%	N/A
Federal Grants	N/A	100%
Private Grants	50%	N/A

3. Leases

In April of 2019, the School entered into a lease agreement with Our Lady of the Rosary Catholic Church. Under this 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 paid \$20,833 per month for one year. This agreement was renewed for two subsequent terms, 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, 2021 and 2020 was \$250,000.

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 for the years ended June 30, 2021 and 2020.

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, 2021 and 2020, the amount paid related to the School's retirement plan was \$42,532 and \$33,710.

**NEW HARMONY HIGH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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.

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:	2021	2020
Cash	\$ 965,352	\$ 845,161
Accounts Receivable, net	105,135	62,418
	<u>\$ 1,070,487</u>	<u>\$ 907,579</u>

As part of the School's liquidity management, cash is kept in a checking account that can be accessed to meet the daily needs of the organization.

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 1, 2021, which is the date the financial statements were available to be issued.

10. Risk and Uncertainties

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 2022.

**NEW HARMONY HIGH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

11. PPP Loan

During fiscal year 2020, the School received a Payroll Protection Program (PPP) loan from the U.S. Small Business Administration in the amount of \$220,400. The purpose of this loan was to maintain payroll and other operating expenses during the COVID-19 pandemic. The terms of the loan allow for the amount to be forgiven in full if the funds are used for payroll and certain operating expenses. Terms for forgiveness were substantially met with the full balance being recorded as revenue for the year ended June 30, 2020.

**NEW HARMONY HIGH INSTITUTE
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE SCHOOL LEADER
FOR THE YEAR ENDED JUNE 30, 2021**

School Leader	S. Summers
Salary	\$ 113,039
Benefits - health insurance	5,695
Benefits - retirement	4,200
	<u>\$ 122,934</u>

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

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 statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 1, 2021.

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.



Daigrepoint & Brian, APAC

Baton Rouge, LA

December 1, 2021

**NEW HARMONY HIGH INSTITUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

We have audited the financial statements of New Harmony High Institute (a non-profit organization), for the year ended June 30, 2021, and have issued our report thereon dated December 1, 2021. 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, 2021.

Questioned Costs

There are no questioned costs for the year ended June 30, 2021.

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

Summary of Prior Audit Findings

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.

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, 2021; 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, 2020 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, 2021 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 observed 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.

Dawgreport & Brian APAC

Baton Rouge, LA

December 1, 2021

NEW HARMONY HIGH INSTITUTE dba
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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, 2021

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, 2021**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,296,448	
Other Instructional Staff Activities	-	
Instructional Staff Employee Benefits	252,472	
Purchased Professional and Technical Services	44,549	
Instructional Materials and Supplies	85,772	
Instructional Equipment	<u>87,186</u>	
Total Teacher and Student Interaction Activities		1,766,427
Other Instructional Activities		
Pupil Support Activities	389,329	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		389,329
Instructional Staff Services	21,780	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		<u>21,780</u>
School Administration	1,178,540	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>1,178,540</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 3,356,076</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$ 87,186</u>

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

**NEW HARMONY HIGH INSTITUTE dba
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**Class Size Characteristics
As of October 1, 2020**

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	93%	114	7%	9	0%	-	0%	-
High Activity Classes	100%	2	0%	-	0%	-	0%	-
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