

THE FRIENDS OF KING SCHOOL

**Financial Statements as of June 30, 2012 and 2011
and for the Years Then Ended
and Independent Auditors' Report
and Supplemental Information**

THE FRIENDS OF KING SCHOOL

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Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of The Friends of King School (the School), a non-profit organization, as of June 30, 2012 and 2011 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the School's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2012 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 the testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying compensation paid to board members, schedule of expenditures of federal awards, and schedules of performance and statistical data are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Louisiana Revised Statute 24:514, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Silva Gurtner & Alney, LLC

December 14, 2012

**THE FRIENDS OF KING SCHOOL
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2012 AND 2011**

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,678,788	\$ 1,584,664
Grants receivable	741,673	460,791
Accounts receivable	5,681	4,644
Total current assets	2,426,142	2,050,099
EQUIPMENT, net	5,140	10,271
TOTAL ASSETS	\$ 2,431,282	\$ 2,060,370
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 204,083	\$ 170,086
Accrued salaries and benefits	78,310	130,480
Funds held on behalf of others	120,948	102,186
Total current liabilities	403,341	402,752
COMMITMENTS AND CONTINGENCIES (NOTE D)		
NET ASSETS		
Unrestricted	2,027,941	1,657,618
Total net assets	2,027,941	1,657,618
TOTAL LIABILITIES AND NET ASSETS	\$ 2,431,282	\$ 2,060,370

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

THE FRIENDS OF KING SCHOOL
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
UNRESTRICTED REVENUES AND OTHER SUPPORT		
Local sources		
Per pupil aid - MFP	\$ 2,786,589	\$ 2,805,684
Other income	335,776	224,090
State sources		
Per pupil aid - MFP	2,324,290	2,181,214
State grants	62,634	68,032
Federal grants	1,879,798	1,972,368
Total unrestricted revenues and other support	7,389,087	7,251,388
UNRESTRICTED EXPENSES		
Program expenses	5,357,809	4,688,075
Administrative expenses	1,660,955	2,099,252
Total unrestricted expenses	7,018,764	6,787,327
CHANGE IN NET ASSETS	370,323	464,061
NET ASSETS - Beginning of year	1,657,618	1,193,557
NET ASSETS - End of year	\$ 2,027,941	\$ 1,657,618

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**

	2012		
	Program Expenses	Administrative Expenses	Total
EXPENSES			
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
	\$ 5,357,809	\$ 1,660,955	\$ 7,018,764

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, 2011**

EXPENSES	2011		
	Program Expenses	Administrative Expenses	Total
Administrative fee	\$ -	\$ 127,178	\$ 127,178
Salaries	3,353,800	703,989	4,057,789
Payroll taxes	41,237	22,984	64,221
Employee benefits	250,607	68,622	319,229
Retirement fund contribution	663,472	157,467	820,939
Transportation	-	93,195	93,195
Dues and fees	6,980	24,821	31,801
Depreciation	-	5,533	5,533
Insurance	-	67,077	67,077
Materials and supplies	266,496	70,163	336,659
Food purchased	-	136,861	136,861
Professional services	75,451	300,230	375,681
Telephone and postage	-	88,134	88,134
Miscellaneous	10,749	86,437	97,186
Travel	19,283	8,839	28,122
Occupancy	-	137,722	137,722
	<u>\$ 4,688,075</u>	<u>\$ 2,099,252</u>	<u>\$ 6,787,327</u>

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, 2012 AND 2011**

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 370,323	\$ 464,061
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,131	5,533
Changes in operating assets and liabilities:		
Grants receivable	(280,882)	448,271
Accounts receivable	(1,037)	(4,644)
Pledges receivable	-	30,000
Accounts payable	33,997	(39,753)
Accrued salaries and benefits	(52,170)	(145,494)
Deferred revenue	-	(24,498)
Due to student groups	18,762	17,573
	94,124	751,049
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 94,124	 751,049
 CASH AND CASH EQUIVALENTS - Beginning of year	 1,584,664	 833,615
 CASH AND CASH EQUIVALENTS - End of year	 \$ 1,678,788	 \$ 1,584,664

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

**THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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 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.

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 School follows the guidance of FASB ASC 958-205 (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*). 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 are 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 and 2011, the School had no temporarily restricted net assets.

**THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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, 2012 and 2011, 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, 2012 and 2011.

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.

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 employees accrue 10 days of leave each year. At the end of the year, unused days are carried forward up to 30 days or 3 years. The School does not compensate employees for unused sick 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.

**THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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 1st each year. MFP revenue accounts for 69% and 69% of the School’s total support for the years ended June 30, 2012 and 2011, respectively. State and federal grants are on a cost reimbursement basis and account for 26% and 28% of the School’s total support for the years ended June 30, 2012 and 2011, 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, 2012 and 2011, 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.

In-Kind Support – The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. There was no in-kind support for the years ended June 30, 2012 and 2011.

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

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.

**THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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 has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments to or disclosures 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 net income.

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, 2012 and 2011, cash deposits in excess of FDIC insured limits were \$1,430,907 and \$1,541,783, 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, 2012 and 2011:

	2012	2011
Equipment	\$ 28,423	\$ 28,423
Accumulated depreciation	(23,283)	(18,152)
Total equipment, net	\$ 5,140	\$ 10,271

Depreciation expense for the years ended June 20, 2012 and 2011 totaled \$5,131 and \$5,533, respectively.

NOTE D – GRANTS RECEIVABLE

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

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 \$120,948 and \$102,186 at June 30, 2012 and 2011, respectively, and are reported as both an asset (cash and cash equivalents) and a liability (funds held on behalf of others). Consequently, there is no effect on the School's net assets.

**THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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, 2013. At June 30, 2012 and 2011, the School had no outstanding borrowings under the line of credit.

NOTE G – RETIREMENT PLANS

Substantially all employees of the School participate in the Teachers’ Retirement System of Louisiana (TRSL). This system is a cost-sharing, multiple-employer defined benefit pension plans qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

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 eight retirement payment options.

Participants are required to contribute to the plan 8% of their annual covered payroll. For the years ended June 30, 2012 and 2011, the School is required to contribute 23.7% and 20.2%, 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, 2012 and 2011, contributions to the plan totaled \$978,729 and \$820,939, respectively, and are included in retirement fund contribution on the statements of functional expenses.

NOTE H – GRANT REVENUES

For the years ended June 30, 2012 and 2011, federal grant revenues consisted of the following:

	<u>2012</u>	<u>2011</u>
Title I	\$ 585,487	\$ 691,725
LA 4	385,866	378,029
IDEA B	135,331	208,514
Food Service	410,285	434,482
Investment in Innovation Fund	218,090	-
Other federal grants	<u>144,739</u>	<u>259,618</u>
Total	<u>\$ 1,879,798</u>	<u>\$ 1,972,368</u>

**THE FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

For the years ended June 30, 2012 and 2011, state grant revenues consisted of the following:

	<u>2012</u>	<u>2011</u>
LA 4	\$ 24,986	\$ 30,752
8(g)	5,611	10,045
Ed Excellence	10,919	13,218
Professional Improvement Program	19,144	8,636
Other state grants	<u>1,974</u>	<u>5,381</u>
Total	<u>\$ 62,634</u>	<u>\$ 68,032</u>

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, 2012 and 2011.

The School has employment contracts with all employees. The 9 month contracts for the current year expired May 18, 2012. The 12 month contracts for the current year expired June 30, 2012. The 9 month contracts for the 2012-2013 school year expire May 17, 2013. The 12 month contracts for the 2012-2013 school year expire June 30, 2012. 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 – SUBSEQUENT EVENTS

Effective July 1, 2012, the School entered into an agreement with BESE for the purpose of operating Joseph A. Craig Elementary School (the Craig School). This 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 FRIENDS OF KING SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 14, 2012, and determined that no other 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, 2012**

<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 Orleans Parish School Board		
Title I Part A-Improving the Academic Achievement of the Disadvantaged	84.010A	\$ 585,487
Title II Part A-Teacher and Principal Training and Recruiting	84.367A	85,888
Title IV Part A-Safe and Drug-Free Schools	84.186A	181
Individuals with Disabilities Education Act (IDEA) Part B	84.027A	135,331
Individuals with Disabilities Education Act (IDEA) Preschool	84.173A	1,498
Education Jobs Fund	84.410A	2,424
Charter Schools Program State Educational Agencies (SEA) Grant	84.282A	34,078
Pass-through the New Schools for New Orleans		
ARRA-Investment in Innovation Fund (i3)	84.396B	218,090
United States Department of Health and Human Services		
Pass-through the Louisiana Department of Education		
Temporary Assistance for Needy Families	93.558	385,866
Hurricane Katrina Foreign Contributions	84.940C	20,670
United States Department of Agriculture		
Pass-through the Louisiana Department of Education		
National School Lunch Program	10.555	<u>410,285</u>
Total Expenditures of Federal Awards		<u><u>\$ 1,879,798</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, 2012**

	<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

**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
The Friends of King School
New Orleans, Louisiana

We have audited the financial statements of The Friends of King School (the School), a non-profit organization, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. 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.

Internal Control over Financial Reporting

Management of the School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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.

This report is intended solely for the information and use of management of The Friends of King School, the Board of Directors, the Louisiana Legislative Auditor, the Orleans Parish School Board, the New Schools for New Orleans, and the Louisiana Department of Education and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

December 14, 2012



Certified Public Accountants & Consultants

**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
The Friends of King School
New Orleans, Louisiana

Compliance

We have audited the compliance of The Friends of King School (the School), a non-profit organization, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2012. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (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. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

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Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management of The Friends of King School, the Board of Directors, the Louisiana Legislative Auditor, the Orleans Parish School Board, the New Schools for New Orleans, and the Louisiana Department of Education and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

December 14, 2012

**THE FRIENDS OF KING SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
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:	Unqualified		
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>
10.555	National School Lunch Program
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 and questioned costs for the year ended June 30, 2012.

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

No findings and questioned costs for the year ended June 30, 2012.

**THE FRIENDS OF KING SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

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.

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

No prior year findings or questioned costs.

**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, 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. This agreed-upon procedures engagement was performed in accordance with standards established by the *American Institute of Certified Public Accountants* and *Government Auditing Standards*. 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 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

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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

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

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

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

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

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

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

Findings: None

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: None

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

Graduation Exit Exam (Schedule 8)

11. 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

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

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of The Friends of King School, the Board of Directors, the Louisiana Legislative Auditor, and the Louisiana Department of Education 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 & Abney, LLC

December 14, 2012

**THE FRIENDS OF KING SCHOOL
SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)
FOR THE YEAR ENDED JUNE 30, 2012**

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 principals 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 1 - GENERAL FUND INSTRUCTIONAL AND SUPPORT
EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2012

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 2,243,603	
Other Instructional Staff Salaries	91,974	
Employee Benefits	752,463	
Purchased Professional and Technical Services	26,116	
Instructional Materials and Supplies	35,686	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	3,149,842
Other Instructional Activities	23,833	23,833
Pupil Support Services	168,389	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services	-	168,389
Instructional Staff Services	134,991	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	134,991
School Administration	452,350	
Less: Equipment for School Administration	-	
Net School Administration	-	452,350
Total General Fund Instructional Expenditures		\$ 3,929,405
Total General Fund Equipment Expenditures		\$ -

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

THE FRIENDS OF KING SCHOOL
SCHEDULE 2 - EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
AS OF OCTOBER 1, 2011

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%	-	-
Bachelor's Degree	32	65%	-	-	-	0%	-	-
Master's Degree	16	33%	-	-	-	0%	-	-
Master's Degree + 30	1	2%	-	-	1	50%	-	-
Specialist in Education	-	0%	-	-	-	0%	-	-
Ph. D or Ed. D	-	0%	-	-	1	50%	-	-
Total	49	100%	-	-	2	100%	-	-

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, 2012**

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

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, 2011

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	TOTAL
Assistant Principals	-	-	-	-	-	-	-	-
Principals	-	-	-	-	-	-	2	2
Classroom Teachers	3	5	7	6	5	9	14	49
TOTAL	3	5	7	6	5	9	16	51

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, 2012**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers Salary Including Extra Compensation	49,814	47,184
Average Classroom Teachers Salary Excluding Extra Compensation	49,681	47,184
Number of Teacher Full-Time Equivalents (FTE's) Used in Computation of Average Salaries	49	40

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

**THE FRIENDS OF KING SCHOOL
SCHEDULE 6 - CLASS SIZE CHARACTERISTICS
AS OF OCTOBER 1, 2011**

TYPE	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Middle	0%	-	0%	-	0%	-	0%	-
Middle Activity Classes	0%	-	0%	-	0%	-	0%	-
High School	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
Combination	43%	97	36%	82	3%	6	0%	-
Combination Activity Classes	10%	22	8%	18	0%	-	1%	2

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, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 4												
Advanced	1	2%	3	5%	6	10%	0	0%	5	9%	4	7%
Mastery	18	29%	15	27%	13	22%	24	39%	23	42%	22	37%
Basic	34	55%	31	57%	36	61%	30	49%	19	35%	27	46%
Approaching Basic	5	8%	6	11%	4	7%	4	6%	5	9%	3	5%
Unsatisfactory	4	6%	0	0%	0	0%	4	6%	3	5%	3	5%
Total	62	100%	55	100%	59	100%	62	100%	55	100%	59	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 4												
Advanced	3	5%	0	0%	2	3%	0	0%	0	0%	0	0%
Mastery	6	10%	7	13%	12	20%	9	14%	13	24%	13	22%
Basic	27	43%	37	67%	33	56%	34	55%	33	59%	40	68%
Approaching Basic	23	37%	9	16%	11	19%	13	21%	8	15%	5	8%
Unsatisfactory	3	5%	2	4%	1	2%	6	10%	1	2%	1	2%
Total	62	100%	55	100%	59	100%	62	100%	55	100%	59	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 8												
Advanced	0	0%	2	5%	0	0%	0	0%	0	0%	1	3%
Mastery	8	21%	5	13%	4	10%	1	3%	4	10%	0	0%
Basic	22	58%	21	55%	18	44%	29	76%	31	82%	19	46%
Approaching Basic	8	21%	9	24%	17	41%	7	18%	3	8%	16	39%
Unsatisfactory	0	0%	1	3%	2	5%	1	3%	0	0%	5	12%
Total	38	100%	38	100%	41	100%	38	100%	38	100%	41	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 8												
Advanced	1	3%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	3	8%	9	24%	0	0%	4	11%	11	29%	2	5%
Basic	21	55%	17	45%	15	37%	26	68%	23	60%	23	56%
Approaching Basic	13	34%	10	26%	20	49%	7	18%	4	11%	10	24%
Unsatisfactory	0	0%	2	5%	6	14%	1	3%	0	0%	6	15%
Total	38	100%	38	100%	41	100%	38	100%	38	100%	41	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, 2012**

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	N/A	N/A	0	0%	0	0%	N/A	N/A	0	0%	0	0%
Proficient	N/A	N/A	0	0%	0	0%	N/A	N/A	3	8%	0	0%
Basic	N/A	N/A	22	58%	20	77%	N/A	N/A	29	79%	18	69%
Approaching Basic	N/A	N/A	12	31%	5	19%	N/A	N/A	5	13%	5	19%
Unsatisfactory	N/A	N/A	3	11%	1	4%	N/A	N/A	0	0%	3	12%
Total	N/A	N/A	37	100%	26	100%	N/A	N/A	37	100%	26	100%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Proficient	3	8%	0	0%	0	0%	0	0%	0	0%	0	0%
Basic	20	51%	6	23%	0	0%	27	69%	13	50%	0	0%
Approaching Basic	14	36%	12	46%	0	0%	8	21%	7	27%	0	0%
Unsatisfactory	2	5%	8	31%	0	0%	4	10%	6	23%	0	0%
Total	39	100%	26	100%	0	0%	39	100%	26	100%	0	0%

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, 2012**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 3																								
Advanced	0	0%	3	5%	0	0%	1	1%	3	5%	1	1%	1	1%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	19	27%	13	19%	12	20%	10	14%	13	19%	4	7%	8	12%	5	7%	9	15%	4	6%	7	10%	8	14%
Basic	24	35%	37	55%	29	49%	38	55%	32	48%	33	55%	35	50%	32	48%	34	58%	39	56%	39	58%	36	61%
Approaching Basic	19	27%	8	12%	17	28%	11	16%	14	21%	18	30%	18	26%	26	39%	16	27%	18	26%	15	23%	13	22%
Unsatisfactory	8	11%	6	9%	2	3%	10	14%	5	7%	4	7%	8	12%	4	6%	0	0%	9	12%	6	9%	2	3%
Total	70	100%	67	100%	60	100%	70	100%	67	100%	60	100%	70	100%	67	100%	59	100%	70	100%	67	100%	59	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 5																								
Advanced	0	0%	1	2%	0	0%	0	0%	2	4%	0	0%	0	0%	2	4%	0	0%	0	0%	0	0%	0	0%
Mastery	4	7%	11	20%	9	16%	2	4%	6	11%	5	9%	3	5%	4	7%	7	12%	0	0%	6	11%	0	0%
Basic	36	63%	37	66%	34	59%	31	54%	28	50%	36	62%	20	35%	22	39%	28	48%	23	40%	37	66%	28	48%
Approaching Basic	14	25%	7	12%	13	22%	13	23%	17	30%	11	19%	26	46%	21	38%	14	24%	16	28%	8	14%	18	31%
Unsatisfactory	3	5%	0	0%	2	3%	11	19%	3	5%	6	10%	8	14%	7	12%	9	16%	18	32%	5	9%	12	21%
Total	57	100%	56	100%	58	100%	57	100%	56	100%	58	100%	57	100%	56	100%	58	100%	57	100%	56	100%	58	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, 2012**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 6																								
Advanced	1	2%	0	0%	2	6%	1	2%	0	0%	2	4%	0	0%	0	0%	0	0%	3	6%	2	4%	2	4%
Mastery	9	19%	11	20%	8	14%	5	10%	3	5%	5	10%	3	6%	3	5%	7	14%	6	12%	10	18%	4	8%
Basic	33	67%	34	62%	27	54%	28	57%	35	64%	25	50%	23	47%	34	62%	17	34%	17	35%	33	60%	25	50%
Approaching Basic	6	12%	10	18%	12	24%	9	19%	9	16%	10	20%	18	37%	14	26%	19	38%	15	31%	7	13%	12	24%
Unsatisfactory	0	0%	0	0%	1	2%	6	12%	8	15%	8	16%	5	10%	4	7%	7	14%	8	16%	3	5%	7	14%
Total	49	100%	55	100%	50	100%	49	100%	55	100%	50	100%	49	100%	55	100%	50	100%	49	100%	55	100%	50	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies							
	2012		2011		2010		2012		2011		2010		2012		2011		2010		2012		2011		2010			
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%		
Grade 7																										
Advanced	0	0%	1	2%	1	2%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mastery	8	16%	7	16%	3	7%	3	6%	1	2%	4	10%	5	10%	1	2%	3	7%	5	10%	5	11%	6	15%		
Basic	34	67%	25	59%	21	53%	34	66%	30	70%	23	58%	23	45%	22	51%	11	28%	26	51%	25	59%	27	68%		
Approaching Basic	9	17%	9	21%	15	38%	11	22%	9	21%	8	20%	22	43%	17	40%	22	55%	13	25%	8	19%	7	17%		
Unsatisfactory	0	0%	1	2%	0	0%	3	6%	3	7%	5	13%	1	2%	3	7%	4	10%	7	14%	5	11%	0	0%		
Total	51	100%	43	100%	40	100%	51	100%	43	100%	40	101%	51	100%	43	100%	40	100%	51	100%	43	100%	40	100%		

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 9												
Advanced	N/A	N/A	N/A	N/A	0	0%	N/A	N/A	N/A	N/A	0	0%
Mastery	N/A	N/A	N/A	N/A	0	0%	N/A	N/A	N/A	N/A	1	3%
Basic	N/A	N/A	N/A	N/A	10	27%	N/A	N/A	N/A	N/A	21	57%
Approaching Basic	N/A	N/A	N/A	N/A	25	68%	N/A	N/A	N/A	N/A	9	24%
Unsatisfactory	N/A	N/A	N/A	N/A	2	5%	N/A	N/A	N/A	N/A	6	16%
Total	N/A	N/A	N/A	N/A	37	100%	N/A	N/A	N/A	N/A	37	100%

(Concluded)

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