NEW FRONTIERS PUBLIC SCHOOLS, INC.

FINANCIAL STATEMENTS WITH COMPLIANCE AND SINGLE AUDIT REPORTING

August 31, 2020 and 2019

Randy Walker & Co., Certified Public Accountants

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NEW FRONTIERS PUBLIC SCHOOLS, INC.

Federal Employer Identification Number: 31-1598661

Certificate of Board

We, the undersigned, certify that the attached annual financial reports of the above-named charter holder were reviewed and (check one) __X_approved _____disapproved for the year ended August 31, 2020, at a meeting of the Board of Directors of such charter holder on the _20_day of __January__, 2021.

Kathy Rodriguez (Jan 25, 2021 11:41 CST)
Signature of Board Secretary

Frank Madla III
Frank Madla III (Jan 25, 2021 13:28 CST)
Signature of Board President

If the Board of Directors disapproved the auditor's report, the reason(s) for disapproving it is (are): (attach list as necessary)

RWC | Randy Walker & Company
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To the Board of Directors
New Frontiers Public Schools, Inc.
San Antonio, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of New Frontiers Public Schools, Inc. (NFPS, Inc.), a nonprofit organization, which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities (with comparative totals for 2019), functional expenses (with comparative totals for 2019), 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NFPS, Inc. as of August 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules on pages 17-19 and the schedule of expenditures of federal awards on page 20 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2021 on pages 22-23 on our consideration of NFPS, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NFPS, Inc'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 NFPS, Inc.'s internal control over financial reporting and compliance.

Randy Walker & Co.

San Antonio, Texas
January 20, 2021

FINANCIAL STATEMENTS

NEW FRONTIERS PUBLIC SCHOOLS, INC.
STATEMENTS OF FINANCIAL POSITION
August 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 2,105,976**	$ 2,372,790
Due from State	**280,021**	383,448
Due from Federal Agencies	**83,251**	183,625
Prepaid Expenses	**6,802**	6,817
Total Current Assets	**2,476,050**	2,946,680
LONG-TERM ASSETS		
Restricted Cash:		
Debt Service Reserve Fund	**130,093**	237,750
Repair and Replacement Fund	**151,362**	150,100
Property and Equipment, net	**5,110,279**	5,459,204
Property Held for Future Use	**828,963**	828,963
Total Long-Term Assets	**6,220,697**	6,676,017
TOTAL ASSETS	**$ 8,696,747**	$ 9,622,697
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 98,611**	$ 72,561
Accrued Expenses	**42,815**	86,704
Due to Student Groups	**16,128**	12,041
Bonds Payable - current	**275,000**	265,000
Total Current Liabilities	**432,554**	436,306
LONG-TERM LIABILITIES		
Bonds Payable - long-term, net	**4,932,902**	5,187,248
Total Long-Term Liabilities	**4,932,902**	5,187,248
TOTAL LIABILITIES	**5,365,456**	5,623,554
NET ASSETS		
Without Donor Restrictions	**325,677**	288,007
With Donor Restrictions	**3,005,614**	3,711,136
TOTAL NET ASSETS	**3,331,291**	3,999,143
TOTAL LIABILITIES AND NET ASSETS	**$ 8,696,747**	$ 9,622,697

The accompanying notes are an integral part of these financial statements.

NEW FRONTIERS PUBLIC SCHOOLS, INC.
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2020
(with comparative totals for 2019)

	2020 Without Donor Restrictions	2020 With Donor Restrictions	2020 Total	2019 Total
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
5742 Earnings from Temporary Deposits and Investments	$ 4,527	$ -	**$ 4,527**	$ 9,160
5744 Contributions	630	-	**630**	18,454
5749 Other Revenues from Local Sources	39,602	-	**39,602**	50,185
5751 Food Service Activity	3,202	-	**3,202**	4,003
5769 E-Rate Revenue	43,902	-	**43,902**	14,799
Total Local Support	91,863	-	**91,863**	96,601
State Program Revenues:				
5810 Foundation School Program Act Revenues	-	5,622,374	**5,622,374**	5,541,614
5820 State Program Revenues Distributed by Texas Education Agency	-	41,552	**41,552**	102,593
Total State Program Revenues	-	5,663,926	**5,663,926**	5,644,207
Federal Program Revenues:				
5910 Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies	-	57,398	**57,398**	126,648
5920 Federal Revenues Distributed by Texas Education Agency	-	751,214	**751,214**	929,901
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than Texas Education Agency)	-	47,501	**47,501**	-
Total Federal Program Revenues	-	856,113	**856,113**	1,056,549
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	7,225,561	(7,225,561)	-	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	7,317,424	(705,522)	**6,611,902**	6,797,357
OPERATING EXPENSES				
11 Instruction	3,465,142	-	**3,465,142**	3,652,658
13 Curriculum Development and Instructional Staff Development	103,792	-	**103,792**	168,294
21 Instructional Leadership	469	-	**469**	229
23 School Leadership	503,969	-	**503,969**	514,069
31 Guidance, Counseling, and Evaluation Services	159,991	-	**159,991**	242,512
32 Social Work Services	2,019	-	**2,019**	-
33 Health Services	56,843	-	**56,843**	57,206
34 Student Transportation	28,015	-	**28,015**	54,818
35 Food Services	334,416	-	**334,416**	401,325
36 Extracurricular Activities	5,910	-	**5,910**	7,184
41 General Administration	678,108	-	**678,108**	551,100
51 Plant Maintenance and Operations	884,823	-	**884,823**	907,292
52 Security and Monitoring Services	26,391	-	**26,391**	58,780
53 Data Processing Services	416,963	-	**416,963**	212,563
61 Community Services	185,984	-	**185,984**	210,423
71 Debt Service	419,328	-	**419,328**	438,020
81 Fundraising	7,591	-	**7,591**	4,166
TOTAL OPERATING EXPENSES	7,279,754	-	**7,279,754**	7,480,639
CHANGE IN NET ASSETS	37,670	(705,522)	**(667,852)**	(683,282)
NET ASSETS, Beginning of Year	288,007	3,711,136	**3,999,143**	4,682,425
NET ASSETS, End of Year	$ 325,677	$ 3,005,614	**$ 3,331,291**	$ 3,999,143

The accompanying notes are an integral part of these financial statements.

NEW FRONTIERS PUBLIC SCHOOLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2020
(with comparative totals for 2019)

	2020				
	Program	**General and Administrative**	**Fundraising**	**Total**	2019 Total
OPERATING EXPENSES					
Salaries	$ 3,765,170	$ 393,888	$ -	**$ 4,159,058**	$ 4,343,507
Payroll Taxes and Benefits	518,710	38,952	-	**557,662**	479,142
Total Payroll Expenses	4,283,880	432,840	-	**4,716,720**	4,822,649
Professional Fees	226,558	206,349	1,000	**433,907**	451,972
Interest	397,793	-	-	**397,793**	416,407
Depreciation	356,829	-	-	**356,829**	362,220
General Supplies	310,264	6,739	2,372	**319,375**	96,718
Contract Labor	199,841	11,141	-	**210,982**	299,855
Utilities	141,439	-	-	**141,439**	162,276
Rental Expense	134,499	-	-	**134,499**	130,045
Food	133,017	-	-	**133,017**	179,830
Tuition and Related Expenses	77,480	-	-	**77,480**	56,842
Educational Service Center	66,144	9,625	-	**75,769**	99,322
Maintenance and Repair	61,503	-	-	**61,503**	61,729
Miscellaneous	45,892	5,312	4,901	**56,105**	96,412
Supplies for Maintenance	50,317	-	-	**50,317**	48,918
Insurance and Bonding	44,331	-	-	**44,331**	50,245
Instructional Materials	35,727	-	-	**35,727**	89,205
Bond Amortization	20,654	-	-	**20,654**	20,654
Travel	6,940	3,510	475	**10,925**	27,958
Dues and Subscriptions	-	2,382	-	**2,382**	7,382
TOTAL OPERATING EXPENSES	$ 6,593,108	$ 677,898	$ 8,748	**$ 7,279,754**	$ 7,480,639

The accompanying notes are an integral part of these financial statements.

NEW FRONTIERS PUBLIC SCHOOLS, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Foundation School Program Payments	**$ 5,725,801**	$ 5,695,437
Grant Payments	**913,985**	998,241
Miscellaneous Sources	**91,863**	96,601
Payments to Vendors for Goods and Services Rendered	**(1,761,860)**	(1,963,830)
Payments to Charter School Personnel for Services Rendered	**(4,760,609)**	(4,779,351)
Interest Payments	**(309,485)**	(258,849)
NET CASH USED BY OPERATING ACTIVITIES	**(100,305)**	(211,751)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(7,904)**	-
NET CASH USED BY INVESTING ACTIVITIES	**(7,904)**	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Bond Principal Payments	**(265,000)**	(260,000)
NET CASH USED BY FINANCING ACTIVITIES	**(265,000)**	(260,000)
NET DECREASE IN CASH FLOWS	**(373,209)**	(471,751)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, Beginning of Year	**2,760,640**	3,232,391
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, End of Year	**$ 2,387,431**	$ 2,760,640
Reconciliation of Change in Net Assets to Net Cash Used by Operations:		
Change in Net Assets	**$ (667,852)**	$ (683,282)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operations:		
Depreciation	**356,829**	362,220
Bond Amortization	**20,654**	20,654
Decrease (Increase) in Assets:		
Due from State	**103,427**	148,252
Due from Federal Agencies	**100,374**	(28,682)
Prepaid Expenses	**15**	(2,397)
Increase (Decrease) in Liabilities:		
Accounts Payable	**26,050**	(66,999)
Accrued Expenses	**(43,889)**	39,163
Due to Student Groups	**4,087**	(680)
NET CASH USED BY OPERATING ACTIVITIES	**$ (100,305)**	$ (211,751)

The accompanying notes are an integral part of these financial statements.

Note 1 - Nature of Business and Significant Accounting Policies

Reporting Entity and Corporate Operations

New Frontiers Public Schools, Inc. (NFPS, Inc.) is a 501(c)(3) Texas nonprofit corporation located in San Antonio, Texas. NFPS, Inc. is governed by a Board of Directors (the Board) composed of six members, in accordance with the open-enrollment charter described below. The Board is selected pursuant to the bylaws of NFPS, Inc. and has the authority to make decisions, appoint the chief executive officer, and significantly influence operations. The Board has the primary accountability for the fiscal affairs of NFPS, Inc.

In 1998, the State Board of Education (SBOE) of the state of Texas granted NFPS, Inc. an open-enrollment charter pursuant to Chapter 12 of the Texas Education Code. Pursuant to the program described in the charter application approved by the SBOE and the terms of the applicable Contract for Charter, the SBOE established New Frontiers Charter School, formerly San Antonio Advantage Charter School, in the summer of 1998. Effective August 1, 2017, New Frontiers Charter School changed its name to New Frontiers Public Schools (the School). The School serves kindergarten through 12th grade, with a maximum enrollment of 1,176 students. The Contract for Charter was renewed on August 1, 2018 and is in effect through July 31, 2028.

The School operates two campuses – Frank L. Madla Accelerated Collegiate Academy (pre-kindergarten through 8th grade) and Frank L. Madla Early College High School (9th through 12th grade).

NFPS, Inc. only operates the School and does not conduct any other charter or noncharter activities. NFPS, Inc.'s sole mission is to provide educational services to students in the community in which the School operates. Therefore, the School's resources are expended solely for the benefit of its students.

NFPS, Inc. receives substantially all its funding from the Texas Education Agency (TEA) based on the School's average daily attendance. Since NFPS, Inc. receives funding from local, state, and federal government sources, it must comply with the eligibility requirements of the entities providing those funds.

Basis of Presentation

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles. The more significant of the School's accounting policies are described below:

The School is required to report information regarding its financial position and activities according to two classes of net assets as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board-designated.

- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions that are more restrictive than the School's mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Income Taxes

The School is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The School is also exempt from income and sales taxes. As of August 31, 2020, the tax years that remain subject to examination by taxing authorities begin with 2017.

Cash and Cash Equivalents

For financial statement purposes, the School considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents consist of all cash on hand and in banks and money market accounts.

Restricted Cash

Restricted cash is limited as to its use under the terms of the bond indenture. The restricted cash represents amounts restricted for payment of long-term debt, interest expense, and repair and replacement expenses.

Concentration of Credit Risk

The School maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Account balances are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to a maximum of $250,000 per bank. In addition, the School has an agreement with its bank institutions where the banks provide pledged collateral in the School’s name in the event deposits exceed FDIC limits. The School has not experienced any losses in such accounts. There were no uninsured cash balances at August 31, 2020 and 2019.

Grant Funds

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require a refund of all or part of the unused amount.

Revenue Recognition

Revenues from the state of Texas are earned based on reported attendance. Public and private grants received are recognized in the period received and when the terms of the grant are met.

The School accounts for state funding, federal awards, and contributions as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions in the reporting period in which the support is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Revenue Recognition (continued)

E-Rate Program revenue is earned by a discount received from certain vendors for technology-related expenses. The expenses are grossed up to the amount that would have been paid without the applicable discount, and local revenue is recorded in the amount of the discount.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value if donated. Additions and improvements are capitalized, while ordinary repairs and maintenance are charged to expense as incurred. The School's capitalization threshold is $5,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and Improvements	25 years
Furniture and Equipment	10 years
Computer Software	5 years
Vehicles	5 years

Property Held for Future Use

Property held for future use is valued at the lower of cost or realizable value and represents property and land purchased by the School that has not been put into service as of August 31, 2020 and 2019. The property will be used for future expansion and will not be depreciated until it is put into its intended use.

Bond Issuance Costs

Bond issuance costs are amortized over the term of the respective financing. Amortization expense was $20,654 for the years ended August 31, 2020 and 2019.

Functional Allocation of Expenses

The costs of providing the services and other activities of the School have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expenses, which are allocated on the basis of estimates of time and effort, as well as professional fees, general supplies, contract labor, and various other expenses, which are allocated on the basis of square footage or some other reasonable basis.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding revenue recognition effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the effect this new standard will have on its financial position, results of operations and related disclosures.

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2021. A lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncements

In 2018, the FASB issued Accounting Standards Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,* effective for periods beginning after December 15, 2018. This pronouncement clarifies and improves the scope and the accounting guidance for contributions received and contributions made in order to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to other guidance and (2) determining whether a contribution is conditional. The School has adopted this new pronouncement effective September 1, 2019. The change was applied retrospectively, but there is no cumulative effect on beginning net assets as of this date.

Due to Student Groups

Due to student groups represents cash that belongs to various student fundraising groups that is being held on their behalf by the School.

Regulated Industry

The majority of the School's activities and revenues are a result of contracts with TEA. The School's operations are concentrated in the education field. As such, the School operates in a heavily regulated environment. The operations of the School are subject to administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, TEA. Such administrative directives, rules, and regulations are subject to change by an act of Congress, an act of the state legislature, or an administrative change mandated by TEA. Funding may be changed or decreased as a result of the above legislative or administrative changes.

Note 2 - Due from State and Federal Government

At August 31, 2020 and 2019, the School had $363,272 and $567,073, respectively, in total receivables due from state and federal granting agencies related to various state/federal grants and Foundation School Program revenue. All amounts receivable are deemed by management to be fully collectible; therefore, no allowance for uncollectible accounts is considered necessary.

Note 3 - Property and Equipment

Property and equipment consisted of the following at August 31:

	2020	2019
Land and Improvements	**$ 221,164**	$ 221,164
Buildings and Improvements	**7,679,349**	7,671,446
Furniture and Equipment	**940,302**	940,302
Computer Software	**26,696**	26,696
Vehicles	**34,727**	34,727
	8,902,238	8,894,335
Less Accumulated Depreciation	**(3,791,959)**	(3,435,131)
Total Property and Equipment	**$ 5,110,279**	$ 5,459,204

Depreciation expense for the years ended August 31, 2020 and 2019 was $356,829 and $362,220, respectively.

Note 4 - Commitments and Contingencies

The School receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to TEA and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the School have complex compliance requirements, and, should state or federal auditors discover areas of noncompliance, funds may be subject to refund if so determined by TEA or the grantor agency.

During the 2020 fiscal year, the School received a letter from TEA regarding potential sanctions to be imposed on the School, including the closure of certain grade levels. The School disagrees with the sanctions and will continue to vigorously defend its position.

Note 5 - Bonds Payable

The School's obligations under bonds payable include Education Revenue Bonds Series 2010A and 2010Q issued by the Texas Public Finance Authority Charter School Finance Corporation. The Series 2010A bonds qualify for tax-exempt status. The bonds' proceeds will be used for the purchase of school facilities; major renovations of the purchased facilities, including the construction of additional parking spaces and a covered outdoor physical education pavilion; and the purchase and installation of portable modular classroom buildings.

The Series 2010A bonds bear interest at 5.80 percent per annum and are payable semiannually on February 15 and August 15 of each year. The Series 2010A bonds mature during 2040 and are secured by a first lien on substantially all assets of the School.

The Series 2010Q bonds bear interest at 8.75 percent per annum and are payable semiannually on February 15 and August 15 of each year. The Series 2010Q bonds mature during 2027 and are secured by substantially all assets of the School.

As of August 31, bonds payable consisted of the following:

	2020	2019
Series 2010A	**$ 3,185,000**	$ 3,185,000
Series 2010Q	**2,170,000**	2,435,000
	5,355,000	5,620,000
Less Current Maturities	**(275,000)**	(265,000)
Less Bond Issuance Costs	**(147,098)**	(167,752)
Total Bonds Payable - Long-Term	**$ 4,932,902**	$ 5,187,248

Future minimum principal payments on the bonds payable are as follows:

Year Ending August 31,	
2021	$ 275,000
2022	285,000
2023	300,000
2024	310,000
2025	320,000
Thereafter	3,865,000
Total	$ 5,355,000

Note 5 - Bonds Payable (continued)

The School receives an annual Qualified School Construction Bond federal subsidy to assist in the payment of interest on the bonds. During the years ended August 31, 2020 and 2019, the School received the subsidy benefit of $57,398 and $126,648, respectively, which was paid directly to the bond trustee on behalf of the School and is reported as revenue in the accompanying statement of activities.

For the year ended August 31, 2020, the net interest cost paid on these bonds was $340,395, which consists of interest paid of $397,793, less the federal subsidy benefit of $57,398. For the year ended August 31, 2019, the net interest cost paid on these bonds was $289,759, which consists of interest paid of $416,407, less the federal subsidy benefit of $126,648.

The bond agreements contain certain financial covenants with which the School must stay in compliance. The School was not in compliance with all covenants for the year ended August 31, 2020. The School is currently in the process of obtaining a waiver for the non-compliance from the lender. The School was in compliance with all covenants for the year ended August 31, 2019.

As part of the loan agreements for the bonds, the School is required to establish and maintain the following trustee-held funds, which are not available for general use:

Revenue Fund

The School is required to transfer revenues from its operating account to the revenue fund on a monthly basis. These revenues are transferred on a monthly basis to the debt service reserve fund, and, therefore, the balance is $-0- at August 31, 2020 and 2019.

Debt Service Reserve Fund

Amounts in this fund are used to meet debt service requirements of the bonds payable and are reserved by the School. These funds totaled $130,093 and $237,750 as of August 31, 2020 and 2019, respectively.

Repair and Replacement Fund

This fund is used to pay for major repairs and renovations on an as-needed basis. As of August 31, 2020 and 2019, the balance in this fund totaled $151,362 and $150,100, respectively.

Reserve Fund Guaranty

In addition, in connection with the Texas Credit Enhancement Program for Charter Schools and a guaranty agreement dated October 1, 2010, between the School and the Texas Public Finance Authority Charter School Finance Corporation, a reserve fund guaranty was established on behalf of the School for the maximum amount of $600,000. The reserve fund guaranty is held on deposit with the Texas Comptroller of Public Accounts solely to provide security for repayment of the bonds. The funds are not available for the current debt service payments of the School, but serve as a guaranty if future payments are unable to be made by the School. If the trustee draws on the guaranty to make a payment, the School is then obligated to reimburse the Texas Public Finance Authority Charter School Finance Corporation for any amounts paid on its behalf. This guaranty expires on the earlier of August 15, 2040, or upon full payments of the bonds.

Note 6 - Operating Leases

The School leases portable buildings and equipment under noncancelable operating leases with various expiration dates. Rental expense for the years ended August 31, 2020 and 2019 was $134,499 and $130,045, respectively.

Note 6 - Operating Leases (continued)

Future minimum lease payments are as follows:

Year Ending August 31,	
2021	$ 112,265
2022	22,740
2023	540
2024	180
Total	$ 135,725

Note 7 - Health Care Coverage

Employees of the School are covered by a health insurance plan. The plan only covers employees, not dependents. Employees, at their option, authorize payroll withholdings to pay contributions or premiums for dependents. During the years ended August 31, 2020 and 2019, the School paid medical premiums of $350 and $300 per month per employee, respectively, and dental premiums of $13.28 per month per employee for both years. The aggregate cost of premiums paid by the School was $252,525 and $228,215 for the years ended August 31, 2020 and 2019, respectively. All premiums were paid to licensed insurers.

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions were for the following purposes at August 31:

	2020	2019
Foundation School Program	**$ 2,977,842**	$ 3,677,910
Textbooks	**27,422**	27,422
Teacher Stipends	**350**	350
Child Nutrition Program	**-**	5,454
Total	**$ 3,005,614**	$ 3,711,136

Note 9 - Pension Plan Obligations

Plan Description

The School contributes to the Teacher Retirement System of Texas (TRS), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the School, but are the liability of the state of Texas.

TRS provides service retirement, disability retirement, and death benefits to plan members and beneficiaries. TRS operates under the authority of provisions contained primarily in Texas Government Code, Title 8, *Public Retirement Systems,* Subtitle C, *Teacher Retirement System of Texas,* which is subject to amendment by the Texas Legislature. TRS's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

Note 9 - Pension Plan Obligations (continued)

The TRS plan differs from a single-employer plan as follows:

- Charter schools are legally separate entities from the state and each other.
- Assets contributed by one charter school or independent school district (ISD) may be used for the benefit of an employee of another ISD or charter school.
- The unfunded obligations get passed along to the other charter schools and ISDs.
- There is no withdrawal penalty for leaving the TRS system.

Total plan assets, accumulated benefit obligations, and % funded are as follows:

Total Plan Assets - $184,361,871,000
Accumulated Benefit Obligations - $209,719,687,047
The plan is 76.8% funded.

There are no collective-bargaining agreements.

Funding Policy

Under provisions in state law, plan members are required to contribute 7.7% of their annual covered salary and the state of Texas contributes an amount equal to 7.5% of the School's covered payroll.

The School's contributions to TRS were $196,916 and $131,738 for the years ended August 31, 2020 and 2019, respectively, which include $62,082 and $62,938, respectively, in Non-OASDI participating surcharges. The School's contributions did not represent more than 5% of the total contributions to the plan (i.e., total plan assets). There have been no changes that would affect the comparison of employer contributions from year to year.

Note 10 - Liquidity and Availability of Financial Resources

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 donor-stipulated restrictions.

	2020	2019
Cash and Cash Equivalents	**$ 2,105,976**	$ 2,372,790
Due from State	**280,021**	383,448
Due from Federal Agencies	**83,251**	183,625
Total Financial Assets	**2,469,248**	2,939,863
Donor Restrictions (net of Foundation School Program)	**(27,772)**	(33,226)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	**$ 2,441,476**	$ 2,906,637

The School's primary sources of cash flows are state and federal program revenues. Although some of the financial assets are subject to donor or other contractual restrictions, restrictions are part of the entity's mission that make them available for general expenditure within one year of the statement of financial position date. The School has a consistent inflow of cash throughout the year to cover normal operating expenses.

Note 11 - Fair Value of Financial Instruments

The School adopted the provisions of ASC 820, *"Fair Value Measurements and Disclosures"* (formerly SFAS 157). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect the School's financial position or results of operations.

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The School's current assets and liabilities as presented in the statements of financial position are Level 1. The School does not have Level 2 or Level 3 assets or liabilities. The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

Note 12 - Subsequent Events

Due to COVID-19, the School's student enrollment has decreased for the 2020-21 school year. The School is evaluating current economic conditions and anticipates Foundation School Program Act revenue to decrease for the year ending August 31, 2021. The related financial impact cannot be reasonably estimated at this time.

The School has evaluated subsequent events through January 20, 2021, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

NEW FRONTIERS PUBLIC SCHOOLS, INC.
SCHEDULE OF EXPENSES
For the Years Ended August 31, 2020 and 2019

		2020	2019
EXPENSES			
6100	Payroll Costs	**$ 4,716,720**	4,822,649
6200	Professional and Contracted Services	**1,135,579**	1,262,041
6300	Supplies and Materials	**538,436**	414,671
6400	Other Operating Costs	**469,665**	543,258
6500	Debt	**419,354**	438,020
	TOTAL EXPENSES	**$ 7,279,754**	$ 7,480,639

See independent auditor's report.

NEW FRONTIERS PUBLIC SCHOOLS, INC.
SCHEDULE OF CAPITAL ASSETS
August 31, 2020

Capital assets acquired with public funds, which constitute public property pursuant to Chapter 12 of the Texas Education Code, are as follows:

	Ownership Interest		
	Local	**State**	**Federal**
1110 Cash	$ 45,017	$ 2,342,414	$ -
1510 Property Held for Future Use	-	828,963	-
1510 Land and Improvements	-	221,164	-
1520 Buildings and Improvements	-	7,648,148	31,201
1531 Vehicles	-	25,943	8,784
1539 Furniture and Equipment	-	922,454	17,848
1549 Computer Software	-	26,696	-
Total Capital Assets	$ 45,017	$ 12,015,782	$ 57,833

<u>Reconciliation of Fixed Assets (Excluding Property Held for Sale) on Schedule of Capital Assets to Statements of Financial Position:</u>

Per Schedule of Capital Assets:	
1510 Land and Improvements	$ 221,164
1520 Buildings and Improvements	7,679,349
1531 Vehicles	34,727
1539 Furniture and Equipment	940,302
1549 Computer Software	26,696
Less Accumulated Depreciation:	(3,791,959)
Total Fixed Assets per Statements of Financial Position:	$ 5,110,279

See independent auditor's report.

NEW FRONTIERS PUBLIC SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2020

	Budgeted Amounts		Actual	Variance From Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
REVENUES AND OTHER SUPPORT				
Local Support:				
5740 Other Revenues from Local Sources	$ 334,138	$ 22,616	$ 44,759	$ 22,143
5750 Revenue from Cocurricular/Enterprising	4,003	3,202	3,202	-
5760 Revenues from Intermediate Sources	-	67,012	43,902	(23,110) **(1)**
Total Local Support	338,141	92,830	91,863	(967)
State Program Revenues:				
5810 Foundation School Program Act Revenues	5,542,307	5,713,078	5,622,374	(90,704)
5820 State Program Revenues Distributed by Texas Education Agency	2,220	41,552	41,552	-
Total State Program Revenues	5,544,527	5,754,630	5,663,926	(90,704)
Federal Program Revenues:				
5910 Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	-	57,398	57,398
5920 Federal Revenues Distributed by Texas Education Agency	923,909	825,445	751,214	(74,231)
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other Texas Education Agency)	-	47,501	47,501	-
Total Federal Program Revenues	923,909	872,946	856,113	(16,833)
TOTAL REVENUES AND OTHER SUPPORT	6,806,577	6,720,406	6,611,902	(108,504)
EXPENSES				
11 Instructional	3,374,924	3,493,664	3,465,142	28,522
13 Curriculum Development and Instructional Staff Development	85,855	104,480	103,792	688
21 Instructional Leadership	-	469	469	-
23 School Leadership	504,428	512,503	503,969	8,534
31 Guidance, Counseling and Evaluation Services	155,743	159,990	159,991	(1)
32 Social Work Services ##	-	2,019	2,019	
33 Health Services	67,021	56,842	56,843	(1)
34 Student Transportation	54,171	28,015	28,015	-
35 Food Services	425,175	326,632	334,416	(7,784)
36 Extracurricular Activities	7,189	5,910	5,910	-
41 General Administration	525,769	678,107	678,108	(1)
51 Plant Maintenance and Operations	943,851	884,825	884,823	2
52 Security and Monitoring Services	47,227	26,391	26,391	-
53 Data Processing Services	178,428	416,964	416,963	1
61 Community Services	206,100	205,688	185,984	19,704
71 Debt Service	173,515	419,448	419,328	120
81 Fundraising	9,905	7,591	7,591	-
TOTAL EXPENSES	6,759,301	7,329,538	7,279,754	49,784
CHANGE IN NET ASSETS	47,276	(609,132)	(667,852)	(58,720)
NET ASSETS, Beginning of Year	3,999,143	3,999,143	3,999,143	-
NET ASSETS, End of Year	$ 4,046,419	$ 3,390,011	$ 3,331,291	$ (58,720)

(1) Unfavorable variance is due to School expecting a larger E-Rate reimbursement for the current year.

See independent auditor's report.

SINGLE AUDIT SECTION

NEW FRONTIERS PUBLIC SCHOOLS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2020

Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
U.S. Department of Agriculture:			
Pass-Through Texas Department of Agriculture:			
National Child Nutrition Cluster:			
School Breakfast Program	10.553	52302001	$ 80,259
National School Lunch Program	10.555	52302001	188,497
USDA Commodities - Noncash Award	10.555	03001901	7,452
Total National Child Nutrition Cluster			276,208
Total U.S. Department of Agriculture			276,208
U.S. Department of Treasury:			
Pass-Through Texas Division of Emergency Management:			
Coronavirus Relief Fund	21.019	N/A	47,501
Total Pass-Through Texas Division of Emergency Management			47,501
Total U.S. Department of Treasury			47,501
U.S. Department of Education:			
Pass-Through Texas Education Agency:			
Special Education Cluster:			
Special Education Grants to States	84.027A	206600010158056600	152,229
Special Education Preschool Grants	84.173A	206610010158056610	2,790
Total Special Education Cluster			155,019
Title I Grants to Local Educational Agencies	84.010A	20610101015805	257,698
Supporting Effective Instruction State Grants	84.367A	20694501015805	30,771
Student Support and Academic Enrichment Program	84.424A	20680101015805	23,483
Total Pass-Through Texas Education Agency			466,971
Pass-Through Education Service Center Region 20:			
English Language Acquisition State Grants	84.365A	N/A	3,780
Migrant Education State Grant Program	84.011A	N/A	4,255
Total Pass-Through Education Service Center Region 20			8,035
Total U.S. Department of Education			475,006
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 798,715

See accompanying notes to schedule of expenditures of federal awards.

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of New Frontiers Public Schools, Inc. (the School) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RECONCILIATION OF FEDERAL PROGRAM REVENUES

Total federal program revenues for the year ended August 31, 2020 are as follows:

Federal program revenues per schedule of expenditures of federal awards	$ 798,715
Federal interest subsidy	57,398
Total federal program revenues	$ 856,113

NOTE 4 - NONCASH ASSISTANCE – FOOD DONATION

Commodities represent the amount of donated food received during the 2019-2020 fiscal year. Commodities are valued at fair value, as determined at the time of donation at an amount of $7,452.

NOTE 5 - NON-PROFIT CHARTER SCHOOL CHART OF ACCOUNTS

For all federal programs, the School used the net asset classes and codes specified by Texas Education Agency (TEA) in the *Special Supplement to Financial Accounting and Reporting, Non-Profit Charter School Chart of Accounts*. Temporarily restricted net asset codes are used to account for resources restricted to or designated for specific purposes by the grantor. Federal and state financial assistance is generally accounted for in temporarily restricted net asset codes.

NOTE 6 - OTHER DISCLOSURES

There were no loans or loan guarantees outstanding at year end.

The School has elected not to use the 10 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

The School did not pass any awards through to subrecipients for the year ended August 31, 2020.

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Certified Public Accountants

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

To the Board of Directors
New Frontiers Public Schools, Inc.
San Antonio, Texas

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 Frontiers Public Schools, Inc., a nonprofit organization, which comprise the statement of financial position as of August 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Frontiers Public Schools, Inc.'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 Frontiers Public Schools, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of New Frontiers Public Schools, Inc.'s internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 New Frontiers Public Schools, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Randy Walker & Co.

San Antonio, Texas
January 20, 2021

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

To the Board of Directors
New Frontiers Public Schools, Inc.
San Antonio, Texas

Report on Compliance for Each Major Federal Program

We have audited New Frontiers Public Schools, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of New Frontiers Public Schools, Inc.'s major federal programs for the year ended August 31, 2020. New Frontiers Public Schools, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of New Frontiers Public Schools, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about New Frontiers Public Schools, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of New Frontiers Public Schools, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, New Frontiers Public Schools, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

Report on Internal Control Over Compliance

Management of New Frontiers Public Schools, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered New Frontiers Public Schools, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of New Frontiers Public Schools, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Randy Walker & Co.

San Antonio, Texas
January 20, 2021

NEW FRONTIERS PUBLIC SCHOOLS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2020

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Noncompliance material to the financial statements	None

Federal Awards

Internal control over major programs:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	None

Major Programs

Federal

84.010 Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs	$750,000
Audit qualified as low-risk auditee	Yes

Findings - Financial Statements Audit	None
Findings and Questioned Costs - Major Federal Award Programs Audit	None

NEW FRONTIERS PUBLIC SCHOOLS, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2020

Prior Year Findings - Financial Statement Audit	None
Prior Year Findings - Federal Awards Audit	None