

INTERNATIONAL SCHOOL OF LOUISIANA

FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRlcpa.com

REPORT

Independent Auditors' Report	1
------------------------------	---

FINANCIAL STATEMENTS

Statements of Financial Position	3
Statements of Activities	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	10

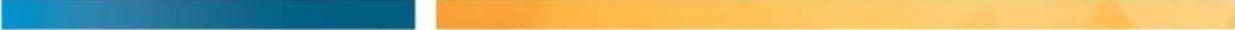
SUPPLEMENTARY INFORMATION

REPORTS AND SCHEDULES REQUIRED BY GOVERNMENT AUDITING STANDARDS,
UNIFORM GUIDANCE, AND LOUISIANA REVISED STATUTE 24:513A(3)

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	22
Schedule of Expenditures of Federal Awards	24
Schedule of Findings and Questioned Costs	25
Summary Schedule of Prior Year Findings	26
Schedule of Compensation, Benefits and Other Payments to Agency Head	27

REPORT AND SCHEDULES REQUIRED BY STATE LAW (PERFORMANCE STATISTICAL DATA)

Independent Accountants' Report on Applying Agreed-Upon Procedures	28
Schedule 1: General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2017	32



**International School of Louisiana
Table of Contents
June 30, 2017**

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



Report



Carr, Riggs & Ingram, LLC
111 Veterans Blvd. Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
International School of Louisiana
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of International School of Louisiana (a nonprofit organization) (the "School"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School'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 School'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 the School as of June 30, 2017 and 2016 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head required under Louisiana Revised Statute 24:513A(3), 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2017, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

October 20, 2017



Financial Statements

**International School of Louisiana
Statements of Financial Position**

<i>As of June 30,</i>	<i>2017</i>	<i>2016</i>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,446,780	\$ 3,716,473
Receivables	216,514	179,468
Prepaid expenses	-	3,000
Total Current Assets	5,663,294	3,898,941
PROPERTY AND EQUIPMENT		
Leasehold improvements	1,589,930	1,619,468
Furniture and equipment	689,734	868,539
Vehicles	30,526	30,526
Total Property and Equipment	2,310,190	2,518,533
Accumulated depreciation	(1,945,129)	(1,716,187)
Total Property and Equipment, net	365,061	802,346
OTHER ASSETS		
Certificate of deposit	17,432	17,432
Restricted cash and investments	-	2,848
Restricted investments - endowment fund	15,613	15,613
Deposits	2,987	2,987
Total Other Assets	36,032	38,880
TOTAL ASSETS	\$ 6,064,387	\$ 4,740,167

(Continued)

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

**International School of Louisiana
Statements of Financial Position**

<i>As of June 30,</i>	<i>2017</i>	<i>2016</i>
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 126,979	\$ 39,573
Accrued salaries and related expenses	316,921	491,948
Deferred revenue	10,735	65,958
Notes payable	-	12,021
Capital leases payable, current portion	115,416	110,896
Total Current Liabilities	570,051	720,396
LONG TERM LIABILITIES		
Capital leases payable, net of current portion	10,585	126,000
Total Long Term Liabilities	10,585	126,000
Total Liabilities	580,636	846,396
NET ASSETS		
Unrestricted	5,468,138	3,875,310
Temporarily restricted	-	2,848
Permanently restricted	15,613	15,613
Total Net Assets	5,483,751	3,893,771
TOTAL LIABILITIES AND NET ASSETS	\$ 6,064,387	\$ 4,740,167

(Concluded)

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

International School of Louisiana
Statement of Activities

For the year ended June 30,

2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND OTHER REVENUES				
Grants				
State sources	\$ 13,646,453	\$ -	\$ -	\$ 13,646,453
Federal sources	944,391	-	-	944,391
Local sources	26,568	-	-	26,568
Student fees and field trips	345,033	-	-	345,033
Food services	129,844	-	-	129,844
Fundraising	13,702	-	-	13,702
Donations and contributions	32,438	-	-	32,438
Miscellaneous income	115,271	-	-	115,271
Investment gain	-	1,383	-	1,383
Net assets released from restrictions	4,231	(4,231)	-	-
Total Public Support and Other Revenues	15,257,931	(2,848)	-	15,255,083
EXPENSES				
Salaries and related expenses				
Salaries	8,549,469	-	-	8,549,469
Employee benefits	1,124,373	-	-	1,124,373
Payroll taxes	621,610	-	-	621,610
Accounting and audit	36,100	-	-	36,100
Advertising	26,294	-	-	26,294
Bad debt expense	6,980	-	-	6,980
Depreciation	386,526	-	-	386,526
Dues and fees	168,576	-	-	168,576
Equipment	42,394	-	-	42,394
Food and related expenses	282,709	-	-	282,709
Information technology services	176,228	-	-	176,228
Insurance	172,220	-	-	172,220
Interest	9,553	-	-	9,553
Materials and supplies	418,984	-	-	418,984
Miscellaneous	233,957	-	-	233,957
Occupancy	371,535	-	-	371,535
Printing and binding	15,493	-	-	15,493
Professional services	584,417	-	-	584,417
Recruitment expense	2,303	-	-	2,303
Repairs and maintenance	118,305	-	-	118,305
Seminars and training	160	-	-	160
Student transportation	249,988	-	-	249,988
Telephone	40,358	-	-	40,358
Travel	26,571	-	-	26,571
Total Expenses	13,665,103	-	-	13,665,103
CHANGES IN NET ASSETS	1,592,828	(2,848)	-	1,589,980
NET ASSETS - Beginning of Year	3,875,310	2,848	15,613	3,893,771
NET ASSETS - End of Year	\$ 5,468,138	\$ -	\$ 15,613	\$ 5,483,751

The accompanying footnotes are an integral part of this financial statement.

International School of Louisiana
Statement of Activities

For the year ended June 30,

2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND OTHER REVENUES				
Grants				
State sources	\$ 13,104,067	\$ -	\$ -	\$ 13,104,067
Federal sources	967,092	-	-	967,092
Local sources	18,372	-	-	18,372
Student fees and field trips	320,320	-	-	320,320
Food Services	134,820	-	-	134,820
Fundraising	57,787	-	-	57,787
Donations and contributions	89,530	-	-	89,530
Miscellaneous income	74,554	-	-	74,554
Investment loss	-	(283)	-	(283)
Net assets released from restrictions	3,638	(3,638)	-	-
Total Public Support and Other Revenues	14,770,180	(3,921)	-	14,766,259
EXPENSES				
Salaries and related expenses				
Salaries	8,617,728	-	-	8,617,728
Employee benefits	986,045	-	-	986,045
Payroll Taxes	601,572	-	-	601,572
Accounting and audit	45,500	-	-	45,500
Advertising	22,944	-	-	22,944
Bad debt expense	-	-	-	-
Depreciation	395,511	-	-	395,511
Dues and Fees	189,264	-	-	189,264
Equipment	225,576	-	-	225,576
Field trips	17,051	-	-	17,051
Food and related expenses	289,923	-	-	289,923
Information technology services	123,501	-	-	123,501
Insurance	227,362	-	-	227,362
Interest	16,768	-	-	16,768
Materials and supplies	303,378	-	-	303,378
Miscellaneous	81,056	-	-	81,056
Occupancy	365,838	-	-	365,838
Postage	6,656	-	-	6,656
Printing and binding	34,810	-	-	34,810
Professional services	365,436	-	-	365,436
Recruitment expense	2,560	-	-	2,560
Repairs and maintenance	66,332	-	-	66,332
Seminars and training	15,847	-	-	15,847
Student transportation	314,039	-	-	314,039
Telephone	194,287	-	-	194,287
Travel	10,108	-	-	10,108
Total Expenses	13,519,092	-	-	13,519,092
CHANGE IN NET ASSETS	1,251,088	(3,921)	-	1,247,167
NET ASSETS - Beginning of Year	2,624,222	6,769	15,613	2,646,604
NET ASSETS - End of Year	\$ 3,875,310	\$ 2,848	\$ 15,613	\$ 3,893,771

The accompanying footnotes are an integral part of this financial statement.

**International School of Louisiana
Statement of Functional Expenses**

For the Year Ended June 30,

2017

	Administrative Expenses	Program Expenses	Fundraising Expenses	Total
Salaries and wages	\$ 826,028	\$ 7,621,304	\$ 102,137	\$ 8,549,469
Employee benefits	115,794	1,001,765	6,814	1,124,373
Payroll taxes	73,083	540,956	7,571	621,610
Accounting and audit	36,100	-	-	36,100
Advertising	2,258	837	23,199	26,294
Bad debt expense	-	6,980	-	6,980
Depreciation	-	386,526	-	386,526
Dues and Fees	39,471	128,732	373	168,576
Equipment	4,120	38,274	-	42,394
Food and related expenses	-	282,709	-	282,709
Information technology services	-	176,228	-	176,228
Insurance	41,639	130,581	-	172,220
Interest	-	9,553	-	9,553
Materials and supplies	13,449	403,401	2,134	418,984
Miscellaneous	21,472	183,655	28,830	233,957
Occupancy	-	371,535	-	371,535
Printing and binding	305	14,975	213	15,493
Professional services	219,029	365,237	151	584,417
Recruitment expense	-	2,303	-	2,303
Repairs and maintenance	6,245	112,060	-	118,305
Seminars and training	-	160	-	160
Student transportation	-	249,988	-	249,988
Telephone	1,283	39,075	-	40,358
Travel	11,911	13,949	711	26,571
	\$ 1,412,187	\$ 12,080,783	\$ 172,133	\$ 13,665,103

The accompanying footnotes are an integral part of this financial statement.

**International School of Louisiana
Statement of Functional Expenses**

For the Year Ended June 30,

2016

	Administrative Expenses	Program Expenses	Fundraising Expenses	Total
Salaries and wages	\$ 837,780	\$ 7,666,964	\$ 112,984	\$ 8,617,728
Employee benefits	81,948	899,844	4,253	986,045
Payroll taxes	56,070	538,264	7,238	601,572
Accounting and audit	45,500	-	-	45,500
Advertising	536	6,429	15,979	22,944
Depreciation	-	395,511	-	395,511
Dues and Fees	73,524	115,717	23	189,264
Equipment	10,124	215,452	-	225,576
Field trips	-	17,051	-	17,051
Food and related expenses	358	289,565	-	289,923
Information technology services	36,514	86,987	-	123,501
Insurance	55,207	172,155	-	227,362
Interest	-	16,768	-	16,768
Materials and supplies	19,847	280,046	3,485	303,378
Miscellaneous	31,660	41,923	7,473	81,056
Occupancy	-	365,838	-	365,838
Postage	17	4,399	2,240	6,656
Printing and binding	1,370	31,404	2,036	34,810
Professional services	100,798	263,313	1,325	365,436
Recruitment expense	2,337	223	-	2,560
Repairs and maintenance	-	66,332	-	66,332
Seminars and training	12,626	3,221	-	15,847
Student transportation	-	314,039	-	314,039
Telephone	19,939	174,348	-	194,287
Travel	4,832	4,386	890	10,108
	\$ 1,390,987	\$ 11,970,179	\$ 157,926	\$ 13,519,092

The accompanying footnotes are an integral part of this financial statement.

International School of Louisiana
Statements of Cash Flows

<i>For the years ended June 30,</i>	<i>2017</i>	<i>2016</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,589,980	\$ 1,247,167
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	386,526	395,511
Loss on disposals of property and equipment	61,964	-
Changes in operating assets and liabilities:		
Receivables	(37,046)	(6,836)
Prepaid expenses	3,000	(3,000)
Accounts payable	87,406	(21,673)
Accrued salaries and related expenses	(175,027)	143,101
Deferred revenue	(55,223)	(81,173)
Other liabilities	-	(5,402)
Net Cash Provided By Operating Activities	1,861,580	1,667,695
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(11,205)	(33,852)
Changes in restricted cash and investments	2,848	3,921
Net Cash Used In Investing Activities	(8,357)	(29,931)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	(12,021)	(49,427)
Payments on capital leases	(110,895)	(106,552)
Net Cash Used In Financing Activities	(122,916)	(155,979)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,730,307	1,481,785
CASH AND CASH EQUIVALENTS - Beginning of Year	3,716,473	2,234,688
CASH AND CASH EQUIVALENTS - End of Year	\$ 5,446,780	\$ 3,716,473
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid for interest	\$ 9,553	\$ 16,768

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

International School of Louisiana (the “School”) was incorporated on December 31, 1999. The School operates schools in Orleans Parish and Jefferson Parish. It is the first multi-language immersion school chartered by the State of Louisiana. From their first day of school, students are taught core academic subjects in either French or Spanish. At the School, children learn a second language naturally, through everyday conversation and classroom instruction.

The State Board of Elementary and Secondary Education (BESE) approved two charters to the School effective March 20, 2000 to operate Type 2 Charter Schools, as defined in LA- R.S. 17:3991 for the Orleans Parish Schools. These charters expire in June 2025. As of July 1, 2017, the charters were amended to add the Dixon Campus.

The Bunche Campus, located in Jefferson Parish, was approved to operate as a Type 1 Charter School, effective through June 2017. As of July 1, 2017 this Type 1 Charter was not renewed.

Basis of Accounting

The financial statements of the School have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

Income Taxes

The School is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The School believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to financial statements.

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates in the near term.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, *Not-For-Profit Entities*. The School has classified its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets and changes therein are classified and reported as follows:

- Unrestricted - Support, revenues, and expenses for the general operation of the School.
- Temporarily Restricted - Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period.
- Permanently Restricted - Contributions subject to donor-imposed restrictions which are to be held in perpetuity by the School. Generally, the donors of these assets permit the School to use all or part of the income derived from the investment of these contributions.

Fair Value Measurements

Accounting Standard Codification (ASC) *Fair Value Measurements* establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles (GAAP) and disclosures about the fair value measurements. The valuation hierarchy is based upon the reliability of inputs to the valuation of an asset or liability on the measurement date. The three levels of the fair value hierarchy are described below:

- LEVEL 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- LEVEL 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- LEVEL 3 -Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash, which is held in interest bearing accounts, consisted of unrestricted and temporarily restricted balances. Unrestricted cash balances represent cash available for general operating purposes.

For the purpose of the statements of cash flows, the School considers all highly liquid investments available for current use and is unrestricted with a maturity of three months or less to be cash equivalents.

The School maintains its cash balances in a single financial institution located in New Orleans, Louisiana. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2017 and 2016, the uninsured portion of this balance was \$5,322,993 and \$3,534,406. Management has not experienced any losses in such accounts and does not believe the School is exposed to significant risk.

Receivables

Receivables consisted of the unpaid balance as of year-end for State and Federal awards and student receivables. Grants are billed to the awarding agency based on expenses incurred on a reimbursement basis. Student receivables consisted of childcare, enrichment, and supply fees. Receivables are stated at the amount management expects to collect from outstanding balances. There was no allowance for doubtful accounts as of June 30, 2017 and 2016.

Property and Equipment

Additions to property and equipment are capitalized in accordance with the Louisiana Accounting and Uniform Governmental Handbook, which requires the School to capitalize equipment purchases with a cost greater than \$5,000 and a useful life greater than one year.

Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset as follows:

Leasehold improvements	life of lease or 5 years, whichever is greater
Furniture and equipment	5 - 10 years
Vehicles	5 years

Depreciation expense was \$386,526 and \$395,511 for the years ended June 30, 2017 and 2016, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The School reviews long-lived assets, consisting of property and equipment and cost in excess of net income acquired, for impairment and determines whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. The School determines recoverability of the assets by comparing the carrying value of the asset to net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during 2017 or 2016.

Contributions

In accordance with the Financial Accounting Standards Board, contributions received are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor restrictions. As of June 30, 2017 and 2016, the School did not receive any contributions with donor-imposed restrictions that resulted in permanently restricted net assets.

Revenue Recognition

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.

In-Kind Support

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. For the years ended June 30, 2017 and 2016, the School did not receive in-kind goods or services that were significant in amount.

Concentrations

The School received 89.4% and 88.7% of its revenues for the years ended June 30, 2017 and 2016, respectively, from the State of Louisiana, subject to its Charter School Contract with the State. The School also received 6.2% and 6.5% of its funding from federal sources passed through the State for the years ended June 30, 2017 and 2016, respectively.

Deferred Revenue

Deferred revenue includes amounts for unearned student supply and enrichment fees. Such fees are recognized as revenue when the fees are earned by the School. For the years ended June 30, 2017 and 2016, deferred revenues totaled \$10,735 and \$65,958, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The School expenses all advertising costs as incurred that are not direct-response. For the years ended June 30, 2017 and 2016, the School incurred and expensed advertising costs of \$26,294 and \$22,944, respectively. There was no direct-response advertising done for the years ended June 30, 2017 and 2016.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions.

Compensated Absences

During the year ended the School changed their compensated absences policy to no longer accrue for paid time off. In the prior year the accumulated paid time off was payable upon termination of employment and was accrued. The School had no obligation as of June 30, 2017. As of June 30, 2016, the School's obligation was \$29,845, which was included in accrued salaries and related expenses in the Statements of Financial Position.

Recent Financial Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Under this ASU, net assets will be presented in two classes: net assets with donor restrictions and net assets without donor restrictions. Underwater endowments will be included in net assets with donor restrictions and new or enhanced disclosures regarding the composition of net assets will be required. Disclosures regarding liquidity and availability of resources for general operating expenditures within one year of the date of the statement of financial position must also be presented. The ASU requires expenses to be presented by both nature and function, and investment return will be presented net of investment expenses. Absent specific donor stipulations, the Organization will use the placed-in-service approach for reporting expirations of restrictions on long-lived assets. The ASU is effective for fiscal periods beginning after December 15, 2017, but early adoption is permitted. Adoption of this ASU will impact the presentation and disclosures of the Organization's financial statements. The School has not elected to early adopt this standard.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows (Topic 230). The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this Update do not provide a definition of restricted cash or restricted cash equivalents. This ASU is effective for fiscal periods beginning after December 15, 2018, but early adoption is permitted. Adoption of this ASU will impact the presentation and disclosures of the School’s financial statements. The School has not elected to early adopt this standard.

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. All other leases will fall into one of two categories: 1) Financing leases, similar to capital leases, will require the recognition of an asset and liability, measured at the present value of the lease payments. Interest on the liability will be recognized separately from amortization of the asset and principal repayments will be classified as financing outflows and payments of interest as operating outflows on the statement of cash flows; 2) Operating leases will also require the recognition of an asset and liability measured at the present value of the lease payments. A single lease cost, consisting of interest on the obligation and amortization of the asset, calculated such that the amortization of the asset will increase as the interest amount decreases resulting in a straight-line recognition of lease expense. All cash outflows will be classified as operating on the statement of cash flows. Lessor accounting remains substantially unchanged with the exception that no leases entered into after the effective date will be classified as leveraged leases. For sale leaseback transactions, the sale will only be recognized if the criteria in the new revenue recognition standard are met. If there is no sale, the buyer-lessor does not recognize the transaction as a purchase and consideration paid for the asset is treated as a financing transaction. The ASU is effective for fiscal periods beginning after December 15, 2019, but early adoption is permitted. The School has not elected to early adopt this standard.

NOTE 2 – TEMPORARILY RESTRICTED CASH

Temporarily restricted cash and investments consisted of the following:

	2017	2016
Restricted for facility repair	\$ 0	\$ 2,848

NOTE 2 – TEMPORARILY RESTRICTED CASH (CONTINUED)

The School established an endowment fund resulting from an agreement with The Richard West Freeman Foundation. The initial contribution of \$15,613 is permanently restricted and any earnings, net of expenses, will be temporarily restricted for further repairs.

NOTE 3 – INVESTMENTS

As of June 30, 2017 and 2016, the School had investments as follows:

	2017		2016
Certificate of deposit	\$ 17,432	\$	17,432
Mutual funds - endowment fund	15,613		15,613
Total Investments	\$ 33,045	\$	33,045

Investment income consisted of the following for the years ended June 30, 2017 and 2016:

	2017		2016
Certificate of deposit interest	\$ -	\$	-
Mutual funds - endowment fund			
Interest and dividends	130		192
Realized and unrealized (loss)/gain	1,253		(475)
Total return on investments	\$ 1,383	\$	(283)

NOTE 4 – FAIR VALUE MEASUREMENTS

Below represents the School's investment assets at fair value by level of the fair value hierarchy:

June 30, 2017				
Description	Total Assets Measured At Fair Value	Quoted Prices In Active Markets (level 1)	Other Observable Inputs (level 2)	Unobservable Inputs (level 3)
Endowment fund	\$ 15,613	\$ 15,613	\$ -	\$ -
Total	\$ 15,613	\$ 15,613	\$ -	\$ -

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

June 30, 2016

Description	Total Assets Measured At Fair Value	Quoted Prices In Active Markets (level 1)	Other Observable Inputs (level 2)	Unobservable Inputs (level 3)
Endowment fund	\$ 15,613	\$ 15,613	\$ -	\$ -
	<u>\$ 15,613</u>	<u>\$ 15,613</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – RETIREMENT PLAN

The School offers a defined contribution plan covering all employees upon the completion of 30 days of service with the School. Funding of the plan is derived from two sources. The School contributes 6% of all covered employees' salaries annually. The employees also have the option to contribute up to the maximum as permitted under section 403(b) of the Internal Revenue Code to the plan through a payroll deduction at no expense to the School. Retirement expense was \$377,762 and \$322,373 for the years ended June 30, 2017 and 2016, respectively.

NOTE 6 – CAPITAL LEASES

During 2013, the School acquired modular buildings totaling \$246,725 under the provisions of a five year capital lease agreement. During 2014, the School acquired modular buildings totaling \$288,805 under a five year capital lease. Amortization of these capital leases included in depreciation expense amounted to \$110,896 and \$106,553 for the years ended June 30, 2017 and 2016, respectively. Future principal payments under these leases are as follows:

For the year ending June 30,	Amount
2018	\$ 115,416
2019	10,585
Total capital lease payment	126,000
Less: current portion	(115,416)
Total capital lease payable, net of current portion	<u>\$ 10,585</u>

NOTE 7 – NOTES PAYABLE

At June 30, 2017 and 2016, long -term debt consisted of the following:

	2017	2016
The School had a 6.5% interest bearing loan for computers and equipment that required annual payments beginning 7/15/13 with the last payment due on 7/16/16. The note was secured by the computers and equipment.	\$ -	\$ 12,021
Less: current portion	-	(12,021)
Total long term portion	\$ -	\$ -

NOTE 8 – LINES OF CREDIT

The School has a \$500,000 line of credit with a financial institution that is secured by the cash of the School. The line of credit bears interest at 3.00% per annum and matured on October 1, 2016. The line of credit was subsequently renewed until October 1, 2017. There was no outstanding balance on the line of credit as of June 30, 2017 and 2016. The line of credit was not renewed on October 1, 2017.

The School has a \$350,000 line of credit with a financial institution that is unsecured. The line of credit bears interest at 4.25% per annum and matured on April 8, 2017. The line of credit was not renewed on April 8, 2017. There was no outstanding balance on the line of credit as of June 30, 2017 and 2016.

NOTE 9 – MINIMUM FOUNDATION PROGRAM GRANTS

The Minimum Foundation Program formula adopted by the State Board of Elementary and Secondary Education (SBESE) and approved by the State Legislature determines the cost of a minimum foundation program of education in all public elementary and secondary schools and helps to allocate the funds equitably to parish, city and other local school systems. Funding through the Minimum Foundation Program is essentially in the form of a block grant from the State to the local school systems. Revenues received by the State are from sales tax revenues, ad valorem taxes, and other sources which are allocated to each school based on its enrollment and other student characteristics. The School averaged 1,392 and 1,386 students enrolled for the school year and recognized revenue under this grant of \$13,646,453 and \$13,104,067 for the years ended June 30, 2017 and 2016, respectively.

NOTE 10 – SCHOOL OPERATIONS/LEASEHOLD INTEREST

The School has a lease agreement with the Recovery School District for the use of facilities and its contents at its Uptown location, 1400 Camp Street, New Orleans, Louisiana for the years ended June 30, 2017 and 2016. The term of this lease coincides with the approved charter which expires on June 30, 2025.

For the years ended June 30, 2017 and 2016, the School has a lease agreement that expired in June 2017 for its Algiers campus located in New Orleans, Louisiana. The School is responsible for all repairs, maintenance and utilities for occupancy. This lease was renewed as of July 1, 2017 and expires on June 30, 2026.

The minimum lease payments for the Algiers campus are as follows for the years ending June 30,

2018	\$	120,340
2019		120,340
2020		120,340
2021		120,340
2022		131,280
Thereafter		525,120
<hr/>		
Total	\$	1,137,760

The School had a lease agreement with Jefferson Parish School Board for the use of facilities and its contents at its Bunche location, 8101 Simon Street, Metairie, Louisiana for the years ended June 30, 2017 and 2016. As of June 30, 2017 this lease was not renewed.

The School is responsible for all necessary maintenance to ensure that all facilities comply with all state and local health and safety standards and other applicable laws, regulations and rules. There is no stated rent paid for the use of these properties nor is use of the properties recorded as an in-kind contribution and related rent expense since the value of the use of the land and buildings is not readily determinable. The agreements are classified as exchange transactions because all parties receive significant value from these arrangements. Accordingly, the present value of the benefit to be received in future years has not been recorded.

On July 1, 2017 the School entered into a lease agreement with the Orleans Parish School Board for the use of facilities and its contents at its Dixon location, 4040 Eagle Street, New Orleans, Louisiana. This lease expires on June 30, 2021.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 20, 2017, and determined that, except as stated in Notes 1, 8 and 10 no events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion of these financial statements.



Supplementary Information



Carr, Riggs & Ingram, LLC
111 Veterans Blvd. Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

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

Board of Directors
International School of Louisiana
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of International School of Louisiana (a nonprofit organization) (the "School"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated October 20, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

October 20, 2017



Carr, Riggs & Ingram, LLC
111 Veterans Blvd. Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

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

Board of Directors
International School of Louisiana
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited International School of Louisiana's (a nonprofit organization) (the "School") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School's major federal programs for the year ended June 30, 2017. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the School's major federal program 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 the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the School's internal control over compliance.

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

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

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.

Carr, Riggs & Ingram, L.L.C.

October 20, 2017

**International School of Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Federal Expenditures</i>
<i>Other Programs</i>			
United States Department of Education/Direct Program/Special Education Cluster Special Education Grants to States	84.027A	H027A130033	\$ 87,161
United States Department of Education/Direct Programs Title II Grants to Local Educational Agencies	84.367A	S367A130017	24,594
Title I Grants to Local Educational Agencies	84.010A	S010A130018	274,879
United States Department of Education/Jefferson Parish Public School System Title I Grants to Local Educational Agencies	84.010A		53,817
<i>Total Title I Grant to Local Educational Agencies</i>			328,696
<i>Total Department of Education</i>			440,451
United States Department of Agriculture/Direct Program/Child Nutrition Cluster National School Lunch Program	10.555	5F9270	503,940
<i>Total United States Department of Agriculture</i>			503,940
<i>Total Expenditures of Federal Awards</i>			\$ 944,391

NOTE 1 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The School has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**International School of Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

I – SUMMARY OF AUDITORS’ RESULTS

1. The auditors’ report expresses an unmodified opinion on the financial statements of International School of Louisiana.
2. No instances of noncompliance material to the financial statements of the School, which would be required to be disclosed under *Government Auditing Standards*, were disclosed and identified during the audit.
3. No significant deficiencies relating to the audit of the major federal award programs is reported in the *Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*.
4. The *Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance* expresses an unmodified opinion on the major federal program.
5. There were no findings that are required to be reported in accordance with Uniform Guidance.
6. A management letter was not issued for the year ended June 30, 2017.
7. The program tested as major program for the year ended June 30, 2017 was:

<u>Program Title</u>	<u>CFDA No.</u>
National School Lunch Program	10.555

8. The threshold for distinguishing between Type A and Type B programs was \$750,000.
9. The School qualifies as a low-risk auditee.

II – FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE

None noted.

III – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None noted.

IV – MANAGEMENT LETTER

None issued.



**International School of Louisiana
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2017**

II – FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE

None noted.

III – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None noted.

IV – MANAGEMENT LETTER

None issued.

International School of Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the year ended June 30,

2017

Agency Head Name: Melanie Tennyson, Head of School

PURPOSE	AMOUNT
Salary	\$ 156,000
Benefits-health insurance	3,142
Benefits-retirement	8,760
Deferred compensation	-
Workers comp	-
Benefits-life insurance	859
Benefits-long term disability	-
Benefits-Fica & Medicare	9,505
Car allowance	-
Vehicle provided by government	-
Cell phone	627
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	980
Unvouchered expenses	-
Meetings & conventions	-
Other	-
	\$ 179,873

See independent auditors' report

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
International School of Louisiana
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 International School of Louisiana (a nonprofit organization) (the "School") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Management of the School is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings 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, and
 - Nonpublic Transportation Revenue.

Results: None noted.

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, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to the School's supporting payroll records as of October 1, 2016.

Results: None noted.

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

Results: None noted.

4. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2016 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined that the individual's education level was properly classified on the schedule.

Results: We noted two (2) instances out of twenty-five (25) where the educational level noted on the October 1, 2016 PEP report was incorrect.

Management Response: Management has reviewed the teacher educational level and made the necessary corrections accordingly. Management will verify teacher educational level prior to submitting October 1 PEP reports.

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.

Results: None noted.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2016 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined that the individual's experience was properly classified on the schedule.

Results: None noted.

Public School Staff Data: Average Salaries (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 25 teachers to the individual's personnel file and determined that the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Results: None noted.

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

Results: None noted.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2016 roll books for those classes and determined that the class was properly classified on the schedule.

Results: None noted.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (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 School.

Results: None noted.

Graduation Exit Examination (GEE) (Schedule 8)

11. GEE is no longer administered.

Results: None noted.

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

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

Results: None noted.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on 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 School, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be 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.

Carri Riggs & Ingram, L.L.C.

October 20, 2017

International School of Louisiana
Schedule 1 - General Fund Instructional and Support
Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2017

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 4,387,346	
Other instructional staff activities	1,174,056	
Instructional Staff Employee benefits	1,137,783	
Purchased professional and technical services	127,472	
Instructional materials and supplies	194,125	
Less instructional equipment	-	
Total teacher and student interaction activities	-	\$ 7,020,782

Other instructional activities -

Pupil support activities	\$ 698,425	
Less equipment for pupil support activities	-	
Net pupil support activities	-	698,425

Instructional Staff Services	\$ 90,799	
Less equipment for instructional staff services	-	
Net instructional staff services	-	90,799

School Administration	\$ 743,350	
Less: Equipment for School Administration	-	
Net School Administration	-	743,350

Total general fund instructional expenditures \$ 8,553,356

Total general fund equipment expenditures \$ -

*Remainder of the BESE Schedule I does not apply to the School.

International School of Louisiana
Schedule 2 - Education Levels of Public School Staff
For The Year Ended June 30, 2017

As of October 1, 2016

Category	Full -time Classroom Teachers				Principals and Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	1%	5	14%	-	0%	-	0%
Bachelor's Degree	52	68%	21	57%	1	33%	1	100%
Master's Degree	23	30%	11	30%	2	67%	-	0%
Master's Degree + 30	-	0%	-	0%	-	0%	-	0%
Specialist in Education	-	0%	-	0%	-	0%	-	0%
Ph.D or Ed.D	-	0%	-	0%	-	0%	-	0%
Total	76	100%	37	100%	3	100%	1	100%

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

International School of Louisiana
Schedule 3 - Number and Type of Public Schools
For The Year Ended June 30, 2017

Type	Number
Elementary	3
Middle/Jr. High	
Secondary	
Combination	
Total	3

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

**International School of Louisiana
Schedule 4 - Experience of Public Principals,
Assistant Principals, and Full - Time Classroom Teachers
For The Year Ended June 30, 2017**

As of October 1, 2016

	0-1 Year	2-3 Years	4-10 Years	11-14 Years	15-19 Years	20-24 Years	25+ Years	Total
Principals	-	-	2	-	1	-	-	3
Assistant Principals	-	-	1	-	-	-	-	1
Classroom Teachers	14	31	57	6	3	-	2	113
Total	14	31	60	6	4	-	2	117

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

International School of Louisiana
Schedule 5 - Public School Staff Data: Average Salaries
For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teacher's Salary Including Extra Compensation	\$ 44,017	\$ 44,017
Average Classroom Teacher's Salary Excluding Extra Compensation	\$ 41,750	\$ 41,750
Number of Teachers Full-time Equivalent(FTEs) used in Computation of Average Salaries	104.6	104.6

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

**International School of Louisiana
Schedule 6 - Class Size Characteristics
For the Year Ended June 30, 2017**

As of October 1, 2016

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	41%	162	42%	166	4%	14	0%	-
Elementary Activity Classes	8%	30	4%	18	1%	2	0%	-
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

Note: The Board of Elementary and Secondary Education (BESE) has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades 4-12 is 33 students. This limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line limits.

International School of Louisiana
Schedule 7- Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	11%	10%	9%	4%	5%	5%
Mastery	48%	51%	61%	37%	37%	45%
Basic	33%	25%	24%	43%	41%	36%
Approaching Basic	6%	12%	6%	14%	15%	12%
Unsatisfactory	2%	2%	0%	2%	2%	2%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	1%	5%	5%	1%	*	4%
Mastery	15%	9%	26%	12%	*	19%
Basic	52%	56%	54%	34%	*	64%
Approaching Basic	28%	27%	15%	44%	*	8%
Unsatisfactory	4%	3%	0%	9%	*	5%
Total	100%	100%	100%	100%	*	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	13%	24%	10%	4%	6%	9%
Mastery	64%	54%	59%	51%	43%	48%
Basic	23%	16%	25%	36%	28%	18%
Approaching Basic	0%	6%	6%	8%	17%	19%
Unsatisfactory	0%	0%	0%	1%	6%	6%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	2%	3%	9%	17%	*	0%
Mastery	25%	27%	19%	49%	*	25%
Basic	58%	56%	56%	32%	*	57%
Approaching Basic	15%	12%	12%	2%	*	15%
Unsatisfactory	0%	2%	4%	0%	*	3%
Total	100%	100%	100%	100%	*	100%

* Social Studies was not tested in 2016.

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



**International School of Louisiana
Schedule 8 - The Graduation Exit Exam (GEE)
For the Year Ended June 30, 2017**

Exam no longer administered. Not applicable.

International School of Louisiana
Schedule 9 - iLEAP Tests
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 3	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	3%	3%	7%	6%	8%
Mastery	50%	36%	39%	45%	36%	34%
Basic	29%	31%	38%	26%	36%	34%
Approaching Basic	14%	19%	14%	16%	15%	22%
Unsatisfactory	2%	11%	6%	6%	7%	2%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 3	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	11%	4%	5%	3%	*	1%
Mastery	17%	16%	15%	16%	*	9%
Basic	51%	51%	51%	27%	*	58%
Approaching Basic	16%	23%	26%	37%	*	24%
Unsatisfactory	5%	6%	3%	17%	*	8%
Total	100%	100%	100%	100%	*	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 5	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	5%	1%	8%	8%	1%
Mastery	56%	62%	68%	41%	52%	22%
Basic	31%	16%	23%	48%	28%	50%
Approaching Basic	8%	15%	7%	3%	9%	24%
Unsatisfactory	0%	2%	1%	0%	3%	3%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 5	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0%	4%	1%	3%	*	6%
Mastery	13%	16%	21%	8%	*	27%
Basic	58%	63%	55%	22%	*	55%
Approaching Basic	26%	14%	19%	41%	*	9%
Unsatisfactory	3%	3%	4%	26%	*	3%
Total	100%	100%	100%	100%	*	100%

(Continued)

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

**International School of Louisiana
Schedule 9 - iLEAP Tests
For the Year Ended June 30, 2017**

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 6	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	18%	13%	**	12%	1%	**
Mastery	64%	60%	**	43%	27%	**
Basic	12%	21%	**	36%	43%	**
Approaching Basic	6%	5%	**	9%	28%	**
Unsatisfactory	0%	1%	**	0%	1%	**
Total	100%	100%	**	100%	100%	**

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 6	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	4%	1%	21%	*	7%
Mastery	24%	22%	22%	24%	*	15%
Basic	66%	55%	59%	36%	*	62%
Approaching Basic	4%	17%	14%	18%	*	13%
Unsatisfactory	3%	2%	4%	1%	*	3%
Total	100%	100%	100%	100%	*	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Grade 7	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	30%	13%	**	1%	1%	**
Mastery	52%	38%	**	34%	29%	**
Basic	14%	44%	**	51%	51%	**
Approaching Basic	4%	5%	**	13%	17%	**
Unsatisfactory	0%	0%	**	1%	2%	**
Total	100%	100%	**	100%	100%	**

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Grade 7	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	18%	7%	8%	33%	*	17%
Mastery	40%	37%	34%	36%	*	26%
Basic	36%	45%	46%	22%	*	49%
Approaching Basic	5%	11%	9%	6%	*	7%
Unsatisfactory	1%	0%	3%	3%	*	1%
Total	100%	100%	100%	100%	*	100%

(Concluded)

* Social Studies was not tested in 2016.

** PARCC testing replaced iLeap testing in 2015.

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

INTERNATIONAL SCHOOL OF LOUISIANA

AGREED-UPON PROCEDURES REPORT

June 30, 2017



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRlcpa.com



Carr, Riggs & Ingram, LLC
111 Veterans Memorial Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436

(504) 484-0807 (fax)

www.CRIcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
International School of Louisiana
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by the International School of Louisiana (the School) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The School's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The required procedures and our findings are as follows:

Written Policies and Procedures

1. Obtained the School's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Results: Policy appears to appropriately address the required elements above.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results: Policy appears to appropriately address the required elements above.

- c) **Disbursements**, including processing, reviewing, and approving
Results: Policy appears to appropriately address the required elements above.
- d) **Receipts**, including receiving, recording, and preparing deposits
Results: Policy appears to appropriately address the required elements above.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Results: Policy appears to appropriately address the required elements above.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
Results: Policy appears to appropriately address the required elements above.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
Results: Policy appears to appropriately address the required elements above.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
Results: Policy appears to appropriately address the required elements above.

Board (or Finance Committee, if applicable)

- 2. Obtained and reviewed the board/committee minutes for the fiscal period, and:
 - a) Reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board’s enabling legislation, charter, or other equivalent document.
Results: The articles and bylaws of the School state the Board will meet at least quarterly. The Board met nine (9) times during the fiscal period with a quorum.
 - b) Reported whether the minutes referenced or included monthly budget-to-actual comparisons on the School operations (GAAP-basis).
 - If the budget-to-actual comparisons showed that management was deficit in spending during the fiscal period, reported whether there is a formal/written plan to eliminate the deficit. If there is a formal/written plan, reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Results: Based on a review of the Board minutes for the nine (9) scheduled meetings held, budget to actual financials were presented to the Board without exception.

- c) Reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: We noted that Board minutes did reference or include non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

- 3. Obtained a listing of client bank accounts from management and management's representation that the listing is complete.

Results: List and management's representation obtained.

- 4. Using the listing provided by management, selected one-third of the bank accounts on a three year rotating basis as there were more than five bank accounts. For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and reported whether:

- a) Bank reconciliations had been prepared;

Results: We noted there were not bank reconciliations for all months for all accounts during the fiscal period. Two of the bank accounts selected only had June's bank reconciliation prepared.

Management's Response: As these accounts have very minimal activity during the year, the School did not prepare monthly reconciliations. However, the School will start to prepare reconciliations for all accounts for all months.

- b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) had reviewed each bank reconciliation; and

Results: We noted that some bank reconciliations did not include evidence that a member of management or board member reviewed the bank reconciliations. Two of the bank accounts selected were not reviewed by a member of management or a board member.

Management's Response: The School will ensure that all bank reconciliations are reviewed by a member of management or a board member (with no involvement in the transactions associated with the bank account).

- c) If applicable, management had documentation reflecting that it had researched reconciling items that had been outstanding for more than 6 months as of the end of the fiscal period.

Results: We noted in one of the bank reconciliations selected there was no documentation reflecting that management researched reconciling items that were outstanding more than 6 months as of the end of the fiscal period.

Management's Response: The School will make sure to document management's research of reconciling items that are outstanding more than 6 months at the end of the fiscal period.

Collections

5. Obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: List obtained and management's representation obtained.

6. Using the listing provided by management, selected all of the School's cash collection locations as there were five locations or less. **For each cash collection location selected:**

- a) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Results: It was noted that the employees that collect cash are not responsible for depositing the cash in the bank, recording the transaction or reconciling the related bank account, and not required to share the same register/drawer/box with another employee. No employee was individually bonded, however, the School maintains a blanket insurance policy for crime and theft covering all employees.

- b) Obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported whether the School has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Results: The School does appear to have a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers by a person who is not responsible for cash collections in the cash collection location selected.

- c) Selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not

made within one day of collection, reported the number of days from receipt to deposit for each day at each collection location.

Results: No exceptions noted. All deposits were noted to have been made within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verified that daily cash collections are completely supported by documentation and reported any exceptions.

Results: No exceptions noted.

7. Obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the School has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: The School appears to have a process specifically defined to determine completeness of all collections for each revenue source by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtained the general ledger and filtered for entity disbursements. Obtained management's representation that the listing or general ledger population is complete.

Results: We obtained the list and management's representation.

9. Using the disbursement population from #8 above, randomly selected 25 disbursements excluding credit card/debit card/fuel card/P-card purchases or payments. Obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Results: From the twenty-five disbursements selected, the following exceptions were noted on 2 of 25:

No purchase order or equivalent initiation from approval functions was noted.

1. I-Print (payment on 02/20/2017)
2. The New Teacher Project (payment on 09/06/2016)

Management's Response: Management will modify internal control procedures to ensure that a requisition/purchase order that or an equivalent electronic system that separates initiation from the approval function is implemented.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Results: From the twenty-five (25) disbursements selected, the following exceptions were noted on 2 of the 25:

The Education Services Coordinator either signed or approved a contract or proposal with the following vendors and also approved the payment to the vendor.

1. Edmentum, Inc. (payment on 01/09/2017)

No approval was noted on the purchase order.

1. AMC Westbank (payment on 02/03/2017)

Management's Response: Management will modify internal control procedures to ensure that the person who initiates the purchase is not the one to approve the purchase. They will also ensure that all purchase orders have an approval signature.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Results: From the twenty-five (25) disbursements selected, the following exceptions were noted on 2 out of 25:

Payments for purchases were processed without (1) an approved requisition and/or purchase order, or electronic equivalent or an approved invoice.

1. I-print (payment on 02/20/2017)
2. AMC Westbank (payment on 02/03/2017)

Management's Response: Management will modify internal control procedures to ensure that all payments for purchases are not processed without an approved requisition and/or purchase order, or electronic equivalent or an approved invoice.

- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), reported whether the person responsible for processing payments is prohibited from adding vendors to the School's purchasing/disbursement system.

Results: We noted that the person responsible for processing payments is prohibited from adding vendors to the School's purchasing/disbursement system.

- 11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), reported whether the persons with signatory authority or who make the

final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: We noted that persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. As well for the checks that are electronically printed on blank check stock, reviewed entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: We noted that persons with signatory authority do not have system access to print checks.

13. If a signature stamp or signature machine is used, inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Reported any exceptions.

Results: Not applicable. No signature stamp or signature machine use was noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.

Results: We obtained the list and management's representation.

15. Using the listing prepared by management, randomly selected 10 cards that were used during the fiscal period, rotating cards each year.

Obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Results: We noted that out of the ten (10) credit cards, the following exception was found on 9 out of 10:

No evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Management's Response: Management will modify its internal control procedures to ensure that the monthly credit card statements or combined statements and supporting documentation are reviewed and approved, in writing, by someone other than the authorized card holder.

- b) Reported whether finance charges and/or late fees were assessed on the selected statements.

Results: For all selections, no finance charges or late fees were assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, reported whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Results: One original receipt in the amount of \$38.18 from March 2017 was not provided. The remainder of the requested original receipts was provided.

Managements Response: Management will ensure that all original receipts will be provided when their credit cards are used.

- b) For each transaction, compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the School's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.

Results: Transactions selected appear to be within the School's written policies.

- c) For each transaction, compared the School's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

Results: Transactions selected appear to be for an appropriate business/public purpose.

Travel and Expense Reimbursement

17. Obtained from management the general ledger and filtered for travel arrangements. Obtained management's representation that the listing or general ledger is complete.

Results: We obtained the listing and management's representation.

18. Obtain the School's written policies related to travel and expense reimbursements. Compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.

Results: None appear to exceed the GSA rates.

19. Using the listing or general ledger from #17 above, selected the three persons who incurred the most travel costs during the fiscal period. Obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

a) Compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging).

Results: We noted that each expense selected was reimbursed or prepaid in accordance with the written policies of the School.

b) Reported whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.
- Documentation of the business/public purpose
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Results: We noted that each expense was supported by an original itemized receipt that identified precisely what was purchased, documentation of the business purpose, and other documentation as may be required by written policies of the School.

c) Compare the School's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: Documentation appears to meet the requirements of Article 7, Section 14 of the Louisiana Constitution.

- d) Reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: We noted that one (1) reimbursement expense was requested and approved by Head of School and the person receiving the reimbursement.

Management's Response: Management noted that, while Melanie Tennyson did request and approve her own reimbursement, the check was signed by a board member and the chief of operations. Management will modify its internal control processes to ensure that the person requesting the reimbursement is not the same person who approves the request.

Contracts

20. Obtained a listing of all contracts in effect during the fiscal period. Obtained management's representation that the listing or general ledger is complete.

Results: We obtained the list and management's representation.

21. Using the listing above, selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtained the related contracts and paid invoices and:

- Reported whether there is a formal/written contract that supports the services arrangement and the amount paid.

Results: Formal/written contracts were provided.

- Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtained/compared supporting contract documentation to legal requirements and reported whether the School complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtained supporting contract documentation and reported whether the School solicited quotes as a best practice.

Results: None of the top 5 vendors were subject to Louisiana Public Bid Law.

- Reported whether the contract was amended. If so, reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Results: No contract amendments were noted.

- Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

Results: For the payments selected, we noted that the invoice and related payment complied with the terms and conditions of the contract (where contracts existed).

- Obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results: No board approval requirement noted.

Payroll and Personnel

22. Obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management’s representation that the listing is complete. Randomly selected five employees/officials, obtain their personnel files, and:

Results: We obtained the list and management’s representation.

- Reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Results: Payments appear to have been made in strict accordance with the terms and conditions of the employment contract.

- Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: We noted no changes made to hourly pay rates/salaries during the fiscal period for the employees selected.

23. Obtained attendance and leave records and randomly selected one pay period in which leave had been taken by at least one employee. Within that pay period, randomly selected 25 employees/officials:

- a) Reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Results: All selected employees did document their daily attendance and leave.

- b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Results: We noted written documentation that supervisors approved attendance and leave of the selected employees.

- c) Reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earned leave.

Results: We noted appropriate written documentation that the entity maintained written leave records on those selected employees that earn leave.

24. Obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete.

Results: We obtained a list and management's representation.

25. Obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: We noted that employee and employer portions of payroll taxes and retirement contributions were submitted to the applicable agencies by the required deadlines.

Other

31. Inquired of management whether the School had any misappropriations of public funds or assets. If so, obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: Management stated the School had no misappropriations of public funds or assets.

32. Observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1.

Results: We noted appropriate posting of the notice for misappropriation, fraud, waste, or abuse of public funds on the School's website and on the premises.

33. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above, reported the nature of each exception.

Results: No exceptions observed or identified other than specified above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Cam, Riggs & Ingram, L.L.C.

November 17, 2017