
INTERNATIONAL SCHOOL OF LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2022

INTERNATIONAL SCHOOL OF LOUISIANA

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
International School of Louisiana
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the School as of June 30, 2022 and 2021 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonable of significant estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matter, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was 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 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 schedule of expenditures of federal awards and the schedule of compensation, benefits, and other payments to agency head are 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 March 31, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the School's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
March 31, 2023

INTERNATIONAL SCHOOL OF LOUISIANA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS

	2022	2021
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 9,454,251	\$ 6,110,252
Restricted cash	59,728	59,710
Certificates of deposit	5,171,702	8,220,393
Receivables	1,607,819	1,408,769
Prepaid expenses	23,000	-
	16,316,500	15,799,124
<u>NONCURRENT ASSETS</u>		
Property and equipment, net	35,323	23,705
Investments - endowment fund	21,567	22,946
Deposits	18,855	18,855
	75,745	65,506
Total assets	\$ 16,392,245	\$ 15,864,630

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 279,671	\$ 257,703
Accrued salaries and related expenses	497,174	770,123
	776,845	1,027,826
Total current liabilities	776,845	1,027,826
Total liabilities	776,845	1,027,826
<u>NET ASSETS</u>		
Without donor restrictions	15,534,269	14,754,294
With donor restrictions	81,131	82,510
	15,615,400	14,836,804
Total net assets	15,615,400	14,836,804
Total liabilities and net assets	\$ 16,392,245	\$ 15,864,630

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

INTERNATIONAL SCHOOL OF LOUISIANA
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:						
Per pupil support (Minimum Foundation Program)	\$ 13,252,711	\$ -	\$ 13,252,711	\$ 14,019,193	\$ -	\$ 14,019,193
Federal grants	2,385,408	-	2,385,408	1,804,878	-	1,804,878
State and local grants	13,394	-	13,394	28,782	-	28,782
Student fees and field trips	128,338	-	128,338	2,924	-	2,924
Food services	12,060	-	12,060	2,436	-	2,436
Fundraising	18,124	-	18,124	5,187	-	5,187
Donations and contributions	6,167	-	6,167	20,331	-	20,331
Insurance recoveries	1,126,930	-	1,126,930	-	-	-
Investment income	27,010	1,379	28,389	47,593	7,333	54,926
Miscellaneous income	69,943	-	69,943	35,204	-	35,204
Net assets released from restrictions	2,758	(2,758)	-	18,389	(18,389)	-
	<u>17,042,843</u>	<u>(1,379)</u>	<u>17,041,464</u>	<u>15,984,917</u>	<u>(11,056)</u>	<u>15,973,861</u>
Total revenues and other support						
Expenses:						
Program services	12,975,979	-	12,975,979	12,465,500	-	12,465,500
Supporting services:						
Management and general	3,286,889	-	3,286,889	2,242,293	-	2,242,293
	<u>16,262,868</u>	<u>-</u>	<u>16,262,868</u>	<u>14,707,793</u>	<u>-</u>	<u>14,707,793</u>
Total expenses						
Change in net assets	779,975	(1,379)	778,596	1,277,124	(11,056)	1,266,068
NET ASSETS AT BEGINNING OF YEAR	<u>14,754,294</u>	<u>82,510</u>	<u>14,836,804</u>	<u>13,477,170</u>	<u>93,566</u>	<u>13,570,736</u>
NET ASSETS AT END OF YEAR	<u>\$ 15,534,269</u>	<u>\$ 81,131</u>	<u>\$ 15,615,400</u>	<u>\$ 14,754,294</u>	<u>\$ 82,510</u>	<u>\$ 14,836,804</u>

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

INTERNATIONAL SCHOOL OF LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
	<u>Instructional</u>	<u>Management and General</u>	
Salaries and wages	\$ 8,248,968	\$ 1,061,673	\$ 9,310,641
Employee benefits	1,420,233	182,789	1,603,022
Payroll taxes	628,281	80,862	709,143
Accounting and audit	-	37,850	37,850
Advertising	9,344	55,049	64,393
Communications	31,879	24,866	56,745
Depreciation expense	8,233	-	8,233
Dues and fees	37,369	74,162	111,531
Financial services	-	194,618	194,618
Food and related expenses	377,813	13	377,826
Information technology services	24,712	24,751	49,463
Insurance	318,401	7,757	326,158
Legal fees	33,821	50,185	84,006
Materials and supplies	469,548	25,591	495,139
Miscellaneous	34,629	6,694	41,323
Occupancy	586,524	41,276	627,800
Professional services	559,024	63,161	622,185
Repairs and maintenance	165,846	6,421	172,267
Student transportation	-	388,347	388,347
Travel	21,354	5,352	26,706
Water damage expenses	-	955,472	955,472
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 12,975,979</u>	<u>\$ 3,286,889</u>	<u>\$ 16,262,868</u>

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

INTERNATIONAL SCHOOL OF LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
	<u>Instructional</u>	<u>Management and General</u>	
Salaries and wages	\$ 8,079,691	\$ 1,171,909	\$ 9,251,600
Employee benefits	1,341,420	194,565	1,535,985
Payroll taxes	547,393	79,396	626,789
Accounting and audit	-	47,400	47,400
Advertising	2,525	20,237	22,762
Communications	37,151	26,605	63,756
Depreciation expense	11,279	-	11,279
Dues and fees	52,688	30,136	82,824
Financial services	1,351	214,109	215,460
Food and related expenses	204,997	-	204,997
Information technology services	20,216	20,216	40,432
Insurance	278,112	36,478	314,590
Legal fees	24,385	25,359	49,744
Materials and supplies	623,412	40,577	663,989
Miscellaneous	31,896	8,483	40,379
Occupancy	491,011	38,274	529,285
Professional services	560,926	38,909	599,835
Repairs and maintenance	152,807	7,475	160,282
Student transportation	-	241,675	241,675
Travel	4,240	490	4,730
	<u>4,240</u>	<u>490</u>	<u>4,730</u>
Total expenses	<u>\$ 12,465,500</u>	<u>\$ 2,242,293</u>	<u>\$ 14,707,793</u>

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

INTERNATIONAL SCHOOL OF LOUISIANA
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 778,596	\$ 1,266,068
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	8,233	11,279
Investment (earnings) loss	1,379	(7,333)
Changes in operating assets and liabilities:		
Receivables	(199,050)	(795,930)
Prepaid expenses	(23,000)	163,697
Accounts payable	21,968	80,578
Accrued salaries and related expenses	(272,949)	244,884
Net cash provided by operating activities	315,177	963,243
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchases of property and equipment	(19,851)	-
Maturation of certificates of deposit	3,055,917	-
Purchases of certificates of deposit	(7,226)	(35,335)
Net cash provided by (used in) investing activities	3,028,840	(35,335)
Net change in cash and cash equivalents	3,344,017	927,908
Cash and cash equivalents, beginning of year	6,169,962	5,242,054
Cash and cash equivalents, end of year	\$ 9,513,979	\$ 6,169,962
<u>RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION</u>		
Cash and cash equivalents	\$ 9,454,251	\$ 6,110,252
Restricted cash	59,728	59,710
Total cash and cash equivalents and restricted cash	\$ 9,513,979	\$ 6,169,962

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

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE SCHOOL

International School of Louisiana (the School) was incorporated on December 31, 1999. The School operates schools in Orleans Parish. It was 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 School educates students in Kindergarten through eighth across three New Orleans campuses located in Dixon (K-2), Uptown (3-8), and the Westbank (K-5). The School employs over 190 staff members from 31 countries and fluent in 26 different languages who work together to educate approximately 1100 students (38% African American, 26% White, 33% Latinx/Hispanic, 2% Asian/Pacific Islander and 1% American Indian).

The State Board of Elementary and Secondary Education (BESE) approved a charter 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The School considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Restricted cash represents amount held by the School with donor- imposed restrictions.

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. The School has not experienced any losses in such accounts and Management does not believe the School is exposed to significant risk.

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Certificates of Deposit

Non-brokered certificates of deposit are held at a local bank and are carried at cost. Initial maturities at purchase of these certificates ranged from 6 months to 1 year, with penalties for early withdrawal. At June 30, 2022, and 2021, the interest rates were 0.10% and 0.25%, respectively, with interest paid on a monthly basis.

Investments and Investment Income

Investments are measured at fair value in the statements of financial position. Investment income (loss), net, is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Investment income restricted by donors are reported as increases in net assets with donor restrictions until the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income is recognized.

Accounts Receivable

Receivables consisted of the unpaid balances as of year-end for State and Federal awards. Grants are billed to the awarding agency based on expenses incurred on a reimbursement basis. Receivables are stated at the amount management expects to collect from outstanding balances. There was no allowance for doubtful accounts as of June 30, 2022 and 2021.

Property and Equipment

Property and equipment is capitalized at cost and updated for additions and retirements during the year. Donated property and equipment are recorded at fair market value as of the date received. The School capitalizes property and equipment with values over \$5,000 per item. Land and construction-in-progress are not considered depreciable assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Leasehold improvements	Life of related lease or 5 years, whichever is less
Furniture and equipment	5 – 10 years
Vehicles	5 years

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2022 and 2021.

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The School's policy states that compensated absences (personal time-off and paid time-off) is not paid upon termination, therefore, it is not accrued at year-end.

Net Assets

The preparation of financial statements in accordance with U.S. GAAP requires the School to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. These net assets may be used at the discretion of the School's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Revenue and Revenue Recognition

The School's primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund. For the years ended June 30, 2022 and 2021, the School averaged 1,100 and 1,304, respectively, students enrolled for the school year.

The School recognizes MFP revenues, donations, and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been substantially met.

A portion of the School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The School recognized as revenue all funds related to these grants during the years ended June 30, 2022 and 2021.

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-Kind Support

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses that meet the criteria for recognition under U.S. GAAP. For the years ended June 30, 2022 and 2021, the School did not receive in-kind goods or services that were significant in amount.

Concentrations

The School received 78% and 88% of its revenues for the years ended June 30, 2022 and 2021, respectively, from the State of Louisiana, subject to its Charter School Contract with the State. The School also received 14% and 11% of its funding each year from federal sources passed through the State for the years ended June 30, 2022 and 2021.

Functional Expenses

The costs of providing the program service and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification and then allocated to the program and function if an expenditure benefits the program or function. The expenses that are allocated are allocated among the program and supporting services benefited, using appropriate methodologies such as time and effort.

Income Taxes

The School is a non-for-profit School 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.

Reclassifications

Certain prior year classifications have been changed in the current year financial statements in order to clarify financial presentation.

Recent Accounting Pronouncements

On September 17, 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU requires the new standard be applied retrospectively, with amendments taking effect for the School's fiscal year ending June 30, 2022. The School's adoption of ASU No. 2020-07 did not result in any adjustments to their financial statement presentation or changes in disclosures.

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Accounting Pronouncements Issued but Not Yet in Effect

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. On June 3, 2020, FASB issued ASU 2020-05 effectively delaying required implementation of the lease standard which will be effective for the School's year ending June 30, 2023.

The School is currently evaluating the impact of this ASU on its financial statements.

3. **LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The School regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. In addition, the School operates with a budget to monitor sources and uses of funds throughout the year. The School has a goal to maintain financial assets, consisting of cash on hand, to meet 120 days of operating expenses.

The following presents the School's financial assets available to meet general expenditures that is without donor or other restrictions limiting their use, within one year at June 30:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 9,513,979	\$ 6,169,962
Certificates of deposit	5,171,702	8,220,393
Receivables	1,607,819	1,408,769
Investments	21,567	22,946
Deposits	<u>18,855</u>	<u>18,855</u>
Total financial assets	16,333,922	15,840,925
Less amounts not available to be used within one year		
Cash restricted subject to donor or other contractual restrictions	59,728	59,710
Investments - endowment fund	21,567	22,946
Deposits	<u>18,855</u>	<u>18,855</u>
	<u>100,150</u>	<u>101,511</u>
Financial assets available for general expenditures within one year	<u>\$ 16,233,772</u>	<u>\$ 15,739,414</u>

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

As part of its liquidity management, the School maintains certificates of deposit at a local bank which pays interest on the balances maintained.

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 1,615,168	\$ 1,615,168
Furniture and equipment	718,252	698,402
Vehicles	<u>30,526</u>	<u>30,526</u>
	2,363,946	2,344,096
Less accumulated depreciation	<u>(2,328,623)</u>	<u>(2,320,391)</u>
Property and equipment, net	<u>\$ 35,323</u>	<u>\$ 23,705</u>

5. ENDOWMENTS

The School established an endowment fund resulting from an agreement with The Richard West Freeman Foundation. The initial contribution of \$15,613 is restricted in perpetuity and any earnings, net of expenses, will be restricted for further repairs. As of June 30, 2022 and 2021, there was no restricted cash related to the endowment fund. The funds are currently invested in mutual funds.

The table below represents the endowment related activity for the fiscal year ending June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 22,946	\$ 15,613
Interest and dividends	1,379	7,333
Amounts appropriated for expenditure	<u>(2,758)</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 21,567</u>	<u>\$ 22,946</u>

6. FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

6. FAIR VALUE MEASUREMENTS (continued)

- Inputs, other than quoted prices, that are:
- observable; or
- can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Mutual funds: Valued at the daily closing price as reported by the fund. The mutual funds held by the School are deemed to be actively traded and are considered Level 1 in the fair value hierarchy.

The following tables present the School's fair value hierarchy for assets measured at fair value on a recurring basis at June 30, 2022 and 2021:

Description	Total Assets Measured At Fair Value	Quoted Prices in Active Markets (level 1)	Other Observable Inputs (level 2)	Unobservable Inputs (level 3)
As of June 30, 2022				
Endowment fund	\$ 21,567	\$ 21,567	\$ -	\$ -
Total	\$ 21,567	\$ 21,567	\$ -	\$ -
As of June 30, 2021				
Endowment fund	\$ 22,946	\$ 22,946	\$ -	\$ -
Total	\$ 22,946	\$ 22,946	\$ -	\$ -

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted by donors specific programs, purposes, or to assist specific departments of the School. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction. Net assets with donor restrictions are available for the following purposes as of June 30, 2022:

Facility repairs fund	\$ 21,567
Playground equipment	59,564
	<u>\$ 81,131</u>

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

7. NET ASSETS WITH DONOR RESTRICTIONS (continued)

The initial contribution of \$15,613 for the Facility repairs fund are restricted in perpetuity (see Note 5). Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows for the year ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Facility repairs fund	\$ 2,758	\$ -
Playground equipment	<u>-</u>	<u>18,389</u>
	<u>\$ 2,758</u>	<u>\$ 18,389</u>

8. 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 and enrolled 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 \$572,529 and \$459,628 for the years ended June 30, 2022 and 2021, respectively.

9. LEASES AND USE AGREEMENTS

Westbank Campus

The School has a lease agreement that expires June 30, 2026, for its Algiers campus located in New Orleans, Louisiana. The School is responsible for all repairs, maintenance and utilities for occupancy.

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

2023	\$ 131,280
2024	131,280
2025	131,280
2026	<u>131,280</u>
Total	<u>\$ 525,120</u>

Uptown Campus

On July 1, 2021, the School entered into a lease agreement with the Orleans Parish School Board (OPSB) for the use of facilities and its contents at its Uptown location. The lease will expire on June 30, 2025. The School agrees to pay OPSB a Use Fee and participate in OPSB's Per Pupil Unit Cost Program (Unit Cost Program). The Use Fee shall be the per pupil share of the actual costs of the property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Unit Cost Program, including any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship.

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

9. LEASES AND USE AGREEMENTS (continued)

Dixon Campus

On July 1, 2021, the School entered into a lease agreement with the OPSB for the use of facilities and its contents at its Dixon location. The lease will expire on June 30, 2025.

The School agrees to pay OPSB a Use Fee and participate in OPSB's Per Pupil Unit Cost Program (Unit Cost Program). The Use Fee shall be the per pupil share of the actual costs of the property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Unit Cost Program, including any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease.

For the years ended June 30, 2022 and 2021, the School paid annual usage fees to the OPSB of \$157,684 and \$134,772, respectively, for use of the Uptown Campus and Dixon Campus. The School Board can increase this fee prior to the next fiscal year based on the actual cost of flood and property insurance they are able to obtain.

The School is responsible for all necessary maintenance to ensure that Uptown and Dixon 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.

10. COMMITMENTS

In July 2021, the School had extensive water damage due to a ruptured water supply line located on the third floor of the leased building. The School's lease for the Westbank Campus states that the lessor is responsible for repairs and maintenance to the roof, foundation, and structural elements of exterior walls, but shall not be responsible for any other repairs of any nature to the leased premises, including but not limited to the electrical and plumbing systems, HVAC, broken windows and or light fixtures. The School recognized insurance recoveries of \$1,126,930 to cover the costs incurred to repair the damages to the building. Direct costs related to the repair of the leased building totaled \$955,472, with the excess of \$171,458 of insurance proceeds to be used for indirect costs relating to the displacement of students, teachers and administrative staff during the time of repairing the building.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2023, and determined that no events that occurred that required additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

INTERNATIONAL SCHOOL OF LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

Agency Head Name: Melanie Tennyson, Head of School

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 208,638
Benefits - FICA & Medicare	11,760
Benefits - short and long-term disability	848
Workers compensation	192
Conference travel	1,629
Benefits - health and dental insurance	4,405
Benefits - life insurance	216
Registration fees	549
Benefits - retirement	12,375
Per diem	124
Cell phone	732
	<u>\$ 241,468</u>

See accompanying independent auditors' report.

**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**

To the Board of Directors of
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 (the School) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2023.

Report on 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) as a basis for designing 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



Report on 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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

The School's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Postlethwaite & Netterville

Metairie, Louisiana
March 31, 2023

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

To the Board of Directors of
International School of Louisiana
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited International School of Louisiana's (a nonprofit organization) (the School) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2022. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Postlethwaite & Netterville

Metairie, Louisiana
March 31, 2023

INTERNATIONAL SCHOOL OF LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass- Through Grantor	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
<u>United States Department Agriculture</u>			
Passed through the Louisiana Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	Unknown	\$ 568,354
National School Breakfast Program	10.553	Unknown	131,442
COVID-19 - Supply Chain Assistance	10.555	Unknown	30,406
CNP Emerge Cost	10.555	Unknown	<u>2,111</u>
			\$ 732,313
Child and Adult Care Food Program	10.558	Unknown	57,045
State Pandemic Electronic Benefits Transfer (P-EBT)			
Administrative Costs Grants	10.649	Unknown	<u>614</u>
			<u>789,972</u>
Total United States Department of Agriculture			
<u>United States Department of Education</u>			
Passed through the Louisiana Department of Education:			
Title I Grants to Local Education Agencies (LEAs)	84.010A	28-22-T1-7i	429,189
Title II A - Supporting Effective Instruction State Grant	84.367A	28-22-50-7i	72,032
Title IV A - Student Support and Academic Enrichment Grants	84.424A	28-22-71-7i	21,516
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)	84.027A	28-22-B1-7i	207,634
COVID-19 - Education Stabilization Fund - ESSERF II Formula	84.425D	28-21-ESRF-7i	89,071
COVID-19 - Education Stabilization Fund - ESSERF III Formula	84.425U	28-21-ES3F-7i	554,554
COVID-19 - Education Stabilization Fund - ESSER III EB Intervention	84.425U	28-21-ESEB-7i	<u>221,440</u>
			<u>865,065</u>
			<u>1,595,436</u>
Total United States Department of Education			
Total Expenditures of Federal Awards			<u><u>\$ 2,385,408</u></u>

See the accompanying notes to the schedule of expenditures of federal awards.

INTERNATIONAL SCHOOL OF LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of International School of Louisiana (the School) under programs of the federal government for the year ended June 30, 2022. 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 (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School. The School's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2022.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the School's financial statements for the year ended June 30, 2022. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Federal revenues of \$2,385,408 are included in the School's basic financial statements.

4. Noncash Assistance

The School did not receive any federal noncash assistance for the year ended June 30, 2022.

5. De Minimis Cost Rate

During the year ended June 30, 2022, the School did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

6. Amounts Passed Through to Subrecipients

During the year ended June 30, 2022, the School did not pass through any federal funding to subrecipients.

INTERNATIONAL SCHOOL OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

(1) Summary of Independent Auditors' Results

Financial statements

The type of report issued on the financial statements: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? None noted
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None noted

Noncompliance material to the financial statements noted? Yes

Federal Awards

Internal controls over major programs:

- Material weakness(es) identified? None noted
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None noted

Type of auditor's report issued on compliance for major programs: Unmodified opinion

Any audit findings which are required to be reported under the Uniform Guidance? None noted

Identification of major programs:

Education Stabilization Fund:	Assistance Listing # 84.425D, #84.425U
Child Nutrition Cluster	Assistance Listing #10.553, #10.555

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee under Section 530 of The Uniform Guidance: No

INTERNATIONAL SCHOOL OF LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

(2) Findings relating to the financial statements that are required to be reported in accordance with Government Auditing Standards

2022-001 Timely Filing of Report with Louisiana Legislative Auditor

Criteria: In accordance with R.S. 24:513, any local auditee that receives public assistance of \$500,000 or more in revenues and other sources in any one fiscal year must be audited annually and the annual audit reporting package must be submitted to the Louisiana Legislative Auditor. The due date for the audit reporting package is six months after the organization's fiscal year end.

Conditions: The School was required to have an audit completed by the filing deadline of December 31, 2022. The School requested and received a non-emergency extension through March 31, 2023. However, despite the approval of the extension, the School did not comply with the timeline established by regulation and therefore a finding is required by the Louisiana Legislative Auditor.

Cause: Due to staffing issues, the year-end close out procedures were not performed on a timely basis and resulted in delays in providing the needed information to the auditors necessary for the timely filing of the audit report with the Louisiana Legislative Auditor.

Effect: If the School is non-compliant in the future it may result in it being placed on the non-compliance list maintained by the Louisiana Legislative Auditor. In addition, R.S. 39:72.1 prohibits the payment of funds appropriated to an agency that is not in compliance with the State Audit Law.

Recommendations: The School should ensure proper staffing is maintained to complete year-end close out procedures on a timely basis to allow sufficient time for the auditor to complete their procedures and meet future deadlines.

View of Responsible Official: Management will implement policies and procedures to ensure the annual audit reporting package will be submitted to the Louisiana Legislative Auditor in compliance with the State Audit Law.

(3) Findings and Questioned Costs – Major Federal Award Programs

None Noted.

INTERNATIONAL SCHOOL OF LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

(2) **Findings – Financial Statement Audit**

None Noted.

(3) **Findings and Questioned Costs – Major Federal Award Programs**

None Noted.

CORRECTIVE ACTION PLAN

March 31, 2023

International School of Louisiana respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
One Galleria Blvd., Suite 2100
Metairie, LA 70001

Audit Period: July 1, 2021 to June 30, 2022

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

FINDINGS – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

2022-001 Timely Filing of Report with Louisiana Legislative Auditor

Conditions: The School was required to have an audit completed by the filing deadline of December 31, 2022. The School requested and received a non-emergency extension through March 31, 2023. However, despite the approval of the extension, the School did not comply with the timeline established by regulation and therefore a finding is required by the Louisiana Legislative Auditor.

Recommendations: The School should ensure proper staffing is maintained to complete year-end close out procedures on a timely basis to allow sufficient time for the auditor to complete their procedures and meet future deadlines.

View of Responsible Official and Planned Corrective Action:

Management will implement policies and procedures to ensure the annual audit reporting package will be submitted to the Louisiana Legislative Auditor in compliance with the State Audit Law.

Anticipated Completion Date: June 30, 2023

Responsible Contact Person: Emily Thomas, Chief of Operations

If there are questions regarding this plan, please call Emily Thomas at (504) 229-4385.

Sincerely,



Emily Thomas,
Chief of Operations

INTERNATIONAL SCHOOL OF LOUISIANA
PERFORMANCE AND STATISTICAL DATA
FOR THE YEAR ENDED JUNE 30, 2022

INTERNATIONAL SCHOOL OF LOUISIANA
PERFORMANCE AND STATISTICAL DATA
FOR THE YEAR ENDED JUNE 30, 2022

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Independent Accountants' Report
On Applying Agreed-Upon Procedures

To the Board of Directors of International School of Louisiana, the Louisiana Department of Education, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of International School of Louisiana (the School) for the fiscal year ended June 30, 2022; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for its performance and statistical data.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on Schedule 1:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue (no revenue reported),
 - Total Local Earnings on Investment in Real Property (no revenue reported),
 - Total State Revenue in Lieu of Taxes (no revenue reported),
 - Nonpublic Textbook Revenue (no revenue reported), and
 - Nonpublic Transportation Revenue (no revenue reported).

No exceptions noted.

Class Size Characteristics (Schedule 2)

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

No exceptions noted.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

No exceptions noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

No exceptions noted.

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

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.



This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School, as required by Louisiana Revised Statute 24:514.I, 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 Louisiana Legislative Auditor as a public document.

Postlethwaite & Netterville

Metairie, Louisiana
March 31, 2023

INTERNATIONAL SCHOOL OF LOUISIANA

Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)
As of and for the Year Ended June 30, 2022

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 – (Formerly Schedule 6) Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

International School of Louisiana
Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2022

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 5,234,209	
Other Instructional Staff Activities	4,489	
Instructional Staff Employee Benefits	1,299,760	
Purchased Professional and Technical Services	140,920	
Instructional Materials and Supplies	147,616	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	6,826,994

Other Instructional Activities

-
-
6,826,994

Pupil Support Activities

	744,977	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	744,977

Instructional Staff Services

	106,095	
Less: Equipment for instructional staff services	-	
Net Instructional Staff Services	-	106,095

School Administration

	1,127,622	
Less: Equipment for School Administration	-	
Net School Administration	-	1,127,622

Total General Fund Instructional Expenditures

\$ 8,805,688

Total General Fund Equipment Expenditures

\$ -

Certain Local Revenue Sources

Not Applicable

Prepared by International School of Louisiana

**International School of Louisiana
Schedule 2 - Class Size Characteristics
As of October 1, 2021**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	55%	221	45%	181	0%	-	0%	1
Elementary Activity Classes	53%	33	47%	29	0%	-	0%	-
Middle/Junior High	0%	-	0%	-	0%	-	0%	-
Middle/Junior 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 has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

Prepared by International School of Louisiana

INTERNATIONAL SCHOOL OF LOUISIANA

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL
AREAS

FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of the International School of Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. International School of Louisiana's management is responsible for those C/C areas identified in the SAUPs.

International School of Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by International School of Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of International School of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

Postlethwaite & Netterville

Metairie, Louisiana
March 31, 2023

INTERNATIONAL SCHOOL OF LOUISIANA
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2022

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*No exceptions noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

A - Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

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

No exceptions noted.

- 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.

Exceptions noted. The Entity has written policies for purchasing; however, the policies do not contain attribute (2) how vendors are added to the vendor list or attribute (5) documentation required to be maintained for all bids and price quotes.

- c) ***Disbursements***, including processing, reviewing, and approving

No exceptions noted.

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or 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).

No exceptions noted.

- e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Exceptions noted. The Entity has written policies for payroll/personnel; however, the policies do not contain attribute (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

- 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.

Exceptions noted. The entity has written policies for contracts; however, the policies do not contain attribute (3) legal review or attribute (5) monitoring process.

INTERNATIONAL SCHOOL OF LOUISIANA
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2022

Schedule A

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions noted.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Not applicable as the Entity is a non-profit organization.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Entity does not have a debt service policy, as they do not incur debt.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exceptions noted. The entity has written policies for information technology disaster recovery/business continuity; however, the policies do not contain attribute (3) periodic testing/verification that backups can be restored or attribute (5) timely application of all available system and software patches/updates or attribute (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The sexual harassment statutes are not applicable to the Entity.

INTERNATIONAL SCHOOL OF LOUISIANA
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2022

Schedule A

B - Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions noted.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable, not a governmental entity.

C - Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected five bank accounts (one main operating and four randomly) and obtained the bank reconciliations for the month ending June 30, 2022, resulting in five bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

INTERNATIONAL SCHOOL OF LOUISIANA
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2022

Schedule A

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

For one bank account there was one outstanding check greater than twelve months with no documentation to support research into the item.

D - Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected five deposit sites and performed the procedures below.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4 was provided. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) Employees responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted.

INTERNATIONAL SCHOOL OF LOUISIANA
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JUNE 30, 2022

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- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for each of the five bank accounts selected in procedure #3. We obtained supporting documentation for each of the deposits and performed the procedures below.

- a) Observe that receipts are sequentially pre-numbered.

For 1 of the deposit dates selected there were not sequentially pre-numbered receipts.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

For 6 of the 10 deposits tested, the deposit was not made within 1 business day of receipt.

**INTERNATIONAL SCHOOL OF LOUISIANA
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2022**

Schedule A

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

E - Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected five locations and performed the procedures below.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

INTERNATIONAL SCHOOL OF LOUISIANA
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JUNE 30, 2022

Schedule A

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for each location that processes payments selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected five disbursements and performed the procedures below.

- a) Observe whether the disbursement matched the related original itemized invoice, and that supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

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

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

A listing of active credit cards was provided. No exceptions were noted as a result of performing this procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

From the listing provided, we selected the only credit card used in the fiscal period. We randomly selected one monthly statement for the credit card and performed the procedures noted below.

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions noted.

INTERNATIONAL SCHOOL OF LOUISIANA
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- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We randomly selected ten transactions from the credit card statement selected under procedure #12 and performed the specified procedures. No exceptions noted.

G - Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five reimbursements and performed the procedures below.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

INTERNATIONAL SCHOOL OF LOUISIANA
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2022

Schedule A

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

H - Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

A listing of agreements and contracts for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five contracts and performed the procedures below.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

I - Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

INTERNATIONAL SCHOOL OF LOUISIANA
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JUNE 30, 2022

Schedule A

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected one pay period during the fiscal period and performed the procedures below for the five employees/officials selected in procedure #16.

- a) Observe all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided.

From the listing provided, we randomly selected two employees and performed the specified procedures. No exceptions were noted as a result of performing this procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

**INTERNATIONAL SCHOOL OF LOUISIANA
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2022**

Schedule A

J - Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Not applicable as the Entity is a non-profit organization.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

Not applicable as the Entity is a non-profit organization.

K - Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each bond/note issued.

Not applicable as the Entity does not incur debt.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable as the Entity does not incur debt.

L - Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management represented that there were no misappropriations of public funds or assets during the fiscal period. No exceptions were noted as a result of performing this procedure.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

INTERNATIONAL SCHOOL OF LOUISIANA
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2022

Schedule A

M - Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

N - Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

The sexual harassment statutes are not applicable to the Entity.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The sexual harassment statutes are not applicable to the Entity.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

The sexual harassment statutes are not applicable to the Entity.

**INTERNATIONAL SCHOOL OF LOUISIANA
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
JUNE 30, 2022**

Schedule A

- b) Number of sexual harassment complaints received by the agency;

The sexual harassment statutes are not applicable to the Entity.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

The sexual harassment statutes are not applicable to the Entity.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

The sexual harassment statutes are not applicable to the Entity.

- e) Amount of time it took to resolve each complaint.

The sexual harassment statutes are not applicable to the Entity.

CORRECTIVE ACTION PLAN

STATE LEGISLATIVE AUDITOR AGREED UPON PROCEDURES

March 31, 2023

The International School of Louisiana respectfully submits the following corrective action plan for the year ended June 30, 2022 correct actions implemented.

Postlethwaite & Netterville, APAC
One Galleria Boulevard, Suite 2100
Metairie, LA 70001

Period: July 1, 2021 to June 30, 2022

Item 1.b Purchasing – School will update purchasing policies and procedures to address adding vendors and documentation required for bids and price quotes.

Item 1.e Payroll/Personnel – School will update policies and procedures to address employee pay rate approval and maintenance of pay rate schedules.

Item 1.f Contracting – School will update contracts policies and procedures incorporating details about legal review of contracts and contracting monitoring.

Item 1.K Information Technology Disaster Recovery/Business Continuity – School will update disaster recovery policies and procedures to include periodic testing/verification of backups, timely application of software updates, and identification of personnel and process required to recover operations after a critical event.

Item 3.c Bank Reconciliation – School will review old outstanding bank reconciliation items periodically.

Item 7.a Observe that receipts are sequentially pre-numbered – School will initiate the use of sequentially pre-numbered receipts.

Item 7.d Observe that deposit was made within one business day – School will make every effort to deposit funds in the bank within one business day after receipt.

If there are questions regarding this plan, please call Emily Thomas at (504) 444-5943

Sincerely,



Emily Thomas
Chief of Operations