

*Financial Report*

*Advocates for Arts-Based  
Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana*

*June 30, 2025*



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# TABLE OF CONTENTS

**Advocates for Arts-Based Education Corporation**  
**d/b/a The Willow School**  
New Orleans, Louisiana

June 30, 2025 and 2024

	<u>Page Numbers</u>
<b>Financial Section</b>	
Independent Auditor's Report	1 - 3
<b>Exhibits</b>	
A - Statement of Financial Position	4
B - Statement of Activities	5
C - Statement of Functional Expenses	6
D - Statement of Cash Flows	7 - 8
E - Notes to Financial Statements	9 - 25
<b>Supplementary Information</b>	
1 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	26
<b>Special Reports of Certified Public Accountants</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27 - 28
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By the Uniform Guidance	29 - 31
Schedule of Expenditures of Federal Awards	32
Note to Schedule of Expenditures of Federal Awards	33
Schedule of Findings and Questioned Costs	34 - 35

**TABLE OF CONTENTS**  
**(Continued)**

	<u>Page Numbers</u>
<b>Reports by Management</b>	
Schedule of Prior Year Findings and Questioned Costs	36
Management's Corrective Action Plan	37
<b>Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data) (Unaudited)</b>	
Independent Accountant's Report on Applying Agreed-Upon Procedures	38 - 40
<b>Schedules</b>	
2 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	41
3 - Class Size Characteristics	42
<b>Management's Response to the Board of Elementary and Secondary Agreed-Upon Procedures for Advocates for Arts-Based Education Corporation d/b/a The Willow School Statewide Agreed-Upon Procedures</b>	
	43
<b>Statewide Agreed-Upon Procedures</b>	
Independent Accountant's Report on Applying Agreed-Upon Procedures	44 - 45
4 - Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	46 - 51

**TABLE OF CONTENTS**  
**(Continued)**

	<u>Page Numbers</u>
<b>Reports by Management</b>	
Schedule of Prior Year Findings and Questioned Costs	36
Management's Corrective Action Plan	37
<b>Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data) (Unaudited)</b>	
Independent Accountant's Report on Applying Agreed-Upon Procedures	38 - 40
<b>Schedules</b>	
2 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	41
3 - Class Size Characteristics	42
<b>Statewide Agreed-Upon Procedures</b>	
Independent Accountant's Report on Applying Agreed-Upon Procedures	43 - 44
4 - Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	45 - 50

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR’S REPORT**

To the Board of Trustees,  
Advocates for Arts-Based Education Corporation  
d/b/a The Willow School,  
New Orleans, Louisiana.

### **Opinion**

We have audited the accompanying financial statements of Advocates for Arts-Based Education Corporation d/b/a The Willow School (the “School”) (a non-profit organization) which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Advocates for Arts-Based Education Corporation d/b/a The Willow School as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s 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 audit. 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 the 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.

### **Auditor's 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 auditor's 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 on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting 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 matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Report on Summarized Comparative Information**

We have previously audited the School's 2024 financial statements and expressed an unmodified audit opinion on those audited financial statements in our report dated December 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the

year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Reports on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule (Schedule 1) is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513(a)(3). It is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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* ("Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report December 16, 2025, dated on our consideration of the School's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreement, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,  
December 16, 2025.

**STATEMENT OF FINANCIAL POSITION**

**Advocates for Arts-Based Education Corporation**  
**d/b/a The Willow School**  
New Orleans, Louisiana

June 30, 2025  
(with comparative totals for 2024)

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,314,913	\$ 6,624,785
Grants receivable	993,139	596,067
Student fee receivables, net	222,771	189,510
Prepaid expenses	308,521	259,105
Unconditional promises to give, net	195,238	385,941
Investments	14,363,765	13,231,227
Other	115,043	118,744
Property and equipment, net	<u>3,040,844</u>	<u>2,440,289</u>
Total assets	<u><u>\$24,554,234</u></u>	<u><u>\$23,845,668</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 855,020	\$ 2,204,337
Accrued expenses	1,752,362	1,252,103
Loan payable	<u>3,403,236</u>	<u>3,801,187</u>
Total liabilities	<u>6,010,618</u>	<u>7,257,627</u>
<b>NET ASSETS</b>		
Without donor restrictions	18,282,588	16,023,171
With donor restrictions	<u>261,028</u>	<u>564,870</u>
Total net assets	<u>18,543,616</u>	<u>16,588,041</u>
Total liabilities and net assets	<u><u>\$24,554,234</u></u>	<u><u>\$23,845,668</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES**

**Advocates for Arts-Based Education Corporation**  
**d/b/a The Willow School**  
New Orleans, Louisiana

For the year ended June 30, 2025  
(with comparative totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals Only
<b>Revenues and Other Support</b>				
Contributions	\$ 28,217	\$ 136,019	\$ 164,236	\$ 509,803
Grants and funding programs:				
State - Minimum Foundation Program	7,029,204	-	7,029,204	7,279,460
Local - Minimum Foundation Program	20,299,138	-	20,299,138	17,249,366
Government grants - federal	913,313	-	913,313	1,219,194
Government grants - state	641,701	-	641,701	623,730
Student activity fees	1,155,216	-	1,155,216	1,141,352
Other revenue	1,557,280	-	1,557,280	1,397,851
Investment income	718,675	-	718,675	648,845
Net assets released from restrictions	439,861	(439,861)	-	-
Total revenues and other support	32,782,605	(303,842)	32,478,763	30,069,601
<b>Expenses</b>				
Program services	29,312,911	-	29,312,911	24,917,600
Management and general	1,114,244	-	1,114,244	1,066,831
Fundraising	96,033	-	96,033	45,095
Total expenses	30,523,188	-	30,523,188	26,029,526
Increase in net assets from operations	2,259,417	(303,842)	1,955,575	4,040,075
Contribution to OPSB of property and equipment	-	-	-	(10,462,320)
Increase (decrease) in net assets	2,259,417	(303,842)	1,955,575	(6,422,245)
<b>Net Assets</b>				
Beginning of year	16,023,171	564,870	16,588,041	23,010,286
End of year	\$ 18,282,588	\$ 261,028	\$ 18,543,616	\$ 16,588,041

See notes to financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES**

**Advocates for Arts-Based Education Corporation**  
**d/b/a The Willow School**  
 New Orleans, Louisiana

For the year ended June 30, 2025  
 (with comparative totals for 2024)

	2025			Total Expenses	2024 Totals Only
	Program Services	Management and General	Fundraising		
Advertising	\$ 19,339	\$ -	\$ -	\$ 19,339	\$ 28,454
Conferences	-	500	-	500	10,094
Depreciation	181,011	9,527	-	190,538	436,216
Dues and fees	590,408	49,023	-	639,431	593,606
Employee benefits	1,277,085	40,354	4,097	1,321,536	1,234,688
Field trips	177,620	-	-	177,620	147,700
Information technology	116,440	2,266	-	118,706	212,763
Insurance	734,989	38,684	-	773,673	817,821
Interest	101,065	1,602	-	102,667	115,674
Legal and accounting	73,868	273,128	-	346,996	253,779
Occupancy	1,427,287	75,120	-	1,502,407	1,419,978
Office expenses	1,601,471	24,213	-	1,625,684	1,507,299
Other expenses	78,651	664	-	79,315	78,636
Other purchased services	391,193	-	-	391,193	358,073
Payroll taxes	305,361	10,743	1,397	317,501	263,273
Professional and technical services	907,671	-	62,549	970,220	724,311
Retirement contributions	3,496,082	91,820	4,955	3,592,857	3,157,071
Salaries and wages	17,517,404	495,379	23,035	18,035,818	14,258,784
Student transportation	228,538	-	-	228,538	222,495
Travel	87,428	1,221	-	88,649	188,811
	<u>\$29,312,911</u>	<u>\$1,114,244</u>	<u>\$96,033</u>	<u>\$30,523,188</u>	<u>\$26,029,526</u>

See notes to financial statements.

**STATEMENT OF CASH FLOWS**

**Advocates for Arts-Based Education Corporation**  
**d/b/a The Willow School**  
New Orleans, Louisiana

For the year ended June 30, 2025  
(with comparative totals for 2024)

	2025	2024
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ 1,955,575	\$(6,422,245)
Adjustments to reconcile increase (decrease) in net assets to cash provided by operating activities:		
Depreciation	190,538	436,216
Unrealized gain on investments	(186,776)	(419,455)
Realized loss on investments	63,589	45,922
Bad debts	220,182	174,308
Property and equipment contributed to Orleans Parish School Board	-	10,462,320
(Increase) decrease in assets:		
Grants receivable	(397,072)	(96,939)
Student fee receivables, net	(253,443)	(76,430)
Prepaid expenses	(49,416)	(68,298)
Unconditional promises to give, net	190,703	(385,941)
Other	3,701	8,852
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(911,183)	831,827
Net cash provided by operating activities	826,398	4,490,137
<b>Cash Flows From Investing Activities</b>		
Property and equipment purchases	(728,968)	(218,188)
Proceeds from maturities of investments	7,622,573	3,994,769
Purchases of investments	(8,631,924)	(4,367,910)
Net cash used in investing activities	(1,738,319)	(591,329)

**Exhibit D  
(Continued)**

	<u>2025</u>	<u>2024</u>
<b>Cash Flows From Financing Activities</b>		
Payments on loan payable	(397,951)	(385,690)
Payments on accounts payable used to finance acquisition of property and equipment	<u>-</u>	<u>(23,029)</u>
Net cash used in financing activities	<u>(397,951)</u>	<u>(408,719)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(1,309,872)	3,490,089
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>6,624,785</u>	<u>3,134,696</u>
End of year	<u><u>\$5,314,913</u></u>	<u><u>\$ 6,624,785</u></u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the year for interest	<u>\$ 102,667</u>	<u>\$ 115,674</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
<b>Operating Activity:</b>		
Property and equipment acquired with accounts payable	<u>\$ 62,125</u>	<u>\$ -</u>

See notes to financial statements

**NOTES TO FINANCIAL STATEMENTS****Advocates for Arts-Based Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana**

June 30, 2025 and 2024

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a. Organization**

Advocates for Arts-Based Education Corporation d/b/a The Willow School (the “School”), incorporated on August 24, 2005, is an educational institution organized to improve student learning, to increase learning opportunities for all students, to encourage the use of innovative teaching methods, to be more thoroughly accountable for education results, and to create new professional opportunities for teachers and other school employees. The School operates a Lower School campus at 7315 Willow Street, a Middle School at 5625 Loyola Avenue, and a High School at 5624 Freret Street in New Orleans, Louisiana.

The Orleans Parish School Board (OPSB) approved the granting of a charter to the School effective January 1, 2006 for a period ending on December 31, 2011, to operate a Type 3 Charter School, as defined in LA R.S.17:3973(3)(b). On January 18, 2011, OPSB voted to renew the charter for a period of ten years. On December 8, 2020, OPSB voted to renew the charter for a period of ten years effective July 1, 2021.

Effective July 1, 2017, OPSB approved the first amendment to the charter operating agreement granting approval of the School to act as its own local educational authority (LEA) for one or more funding purposes or statutory definition, in accordance with LA R.S. §17:3995 and rules adopted by the Louisiana Board of Elementary and Secondary Education.

**b. Basis of Accounting**

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**d. Cash and Cash Equivalents**

The School classifies as cash and cash equivalents all highly liquid debt instruments with an initial maturity of three months or less.

**e. Grants Receivable**

Grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are fully collectible.

**f. Student Fee Receivables**

Student fee receivables are made up of amounts due for various fees including graduation, yearbooks, and elective activities. Student fee receivables are stated at their net realizable value, the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to student fee receivables. Management has concluded that based on estimates of the collectability of each accounts, a valuation allowance was needed. As of June 30, 2025 and 2024, these receivables totaled \$222,771 (net of allowance for credit losses of \$355,063) and \$189,510 (net of allowance for credit losses of \$339,922), respectively.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g. Promises to Give**

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of June 30, 2025 and 2024, the School did not have any conditional promises to give. Unconditional promises are recorded net of an allowance for uncollectible amounts estimated by management of the School. The financial statements do not include an estimate for allowance for expected credit losses. Management believes that all promises to give are fully collectible. As of June 30, 2025 and 2024, the School had unconditional promises to give of \$195,238 (net of unamortized discount of \$4,762) and \$385,941 (net of unamortized discount of \$14,059), respectively.

**h. Investments**

Investments in U.S. Government and Government Agency bonds and notes and mutual funds are stated at fair market value.

**i. Property, Equipment, and Depreciation**

Property and equipment are capitalized at cost and updated for additions and retirements during the year. The net carrying amount is considered the net realizable value. Donated property and equipment are recorded at fair market value as of the date received. The School maintains a capitalization threshold of \$5,000 for equipment in accordance with the *Louisiana Accounting and Uniform Governmental Handbook*. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed. Depreciation is provided utilizing the straight-line method over estimated useful lives of the assets.

**j. Compensated Absences**

All employees accrue ten days of leave each year, of which a maximum of ten days may be carried forward to the following fiscal year. The employee may use the leave days carried forward from the prior year but will receive no additional compensation. Upon termination, the employee will receive payment for a maximum of twenty days at a per diem rate of \$75. Unused leave over ten days at the end of the fiscal year are paid at the per diem rate. The School accrues leave and related payroll liabilities for all employees who have ten or less leave days at the per diem rate.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k. Revenue Recognition**

Contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when earned under the terms of the grants.

Student activity fees are reported as an increase in net assets without donor restrictions when they are billed. Student activity fees consist of childcare, summer arts, and summer sports camp activities.

**l. Functional Allocation of Expenses**

The costs of providing programs and other activities are summarized in the Statement of Functional Expenses. To present expenses by functional classifications, expenses are charged to program services and supporting services (management and general expense and fundraising expense) based on management's estimate of periodic time and expense evaluations. Additionally, some expenses are allocated on the basis of management's estimates of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the School.

**m. Contributed Nonfinancial Assets**

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. Contributed nonfinancial assets for the years ended June 30, 2025 and 2024 was deemed insignificant.

**n. Financial Statement Presentation**

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Support, revenue, and expenses for general operations.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**n. Financial Statement Presentation (Continued)**

**Net Assets With Donor Restrictions** - Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period or contributions subject to donor-imposed restrictions and that are to be held in perpetuity by the School.

**o. Tax Matters**

The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to Federal income tax unless the School has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2025, management of the School believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended June 30, 2022 and later remain subject to examination by the taxing authorities.

**p. Reclassifications**

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 financial statement presentation.

**q. Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 16, 2025, which is the date the financial statements were available to be issued.

**Note 2 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30, 2025 and 2024 are restricted for the following purposes:

	2025	2024
Subject to expenditure for specified purpose:		
Instructional and other	\$261,028	\$564,870

**Note 3 - STUDENT FEE RECEIVABLES**

The following table summarizes student fee receivables and related allowance for credit losses as of June 30, 2025, June 30, 2024, and July 1, 2023:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>July 1, 2023</u>
Student fee receivables, gross	\$ 577,834	\$ 529,432	\$ 537,662
Allowance for credit losses	<u>(355,063)</u>	<u>(339,922)</u>	<u>(250,274)</u>
Student fee receivables, net of credit losses	<u>\$ 222,771</u>	<u>\$ 189,510</u>	<u>\$ 287,388</u>

The following table presents the delinquency status as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Current - 30 days	\$ 7,213	\$ -
31 - 60 days	34,233	1,759
61 - 90 days	11,269	8,618
Greater than 90 days	<u>170,056</u>	<u>179,133</u>
Student fee receivables, net of credit losses	<u>\$ 222,771</u>	<u>\$ 189,510</u>

Activity for the years ended June 30, 2025 and 2024 in the allowance for credit losses for the student fee receivables are as follows:

	<u>2025</u>	<u>2024</u>
Beginning allowance for credit losses	\$ 339,922	\$ 250,274
Bad debt expenses	235,323	174,308
Write-offs	<u>(220,182)</u>	<u>(84,660)</u>
Ending allowance for credit losses	<u>\$ 355,063</u>	<u>\$ 339,922</u>

**Note 4 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give as of June 30, 2025 and 2024, which are reported at their net present values, are as follows:

	2025	2024
Unconditional promises to give	\$200,000	\$400,000
Less unamortized discount	(4,762)	(14,059)
Net unconditional promises to give	\$195,238	\$385,941
Amount due in:		
Less than one year	\$100,000	\$200,000
One to five years	100,000	200,000
	\$200,000	\$400,000

There was no allowance for credit losses on uncollectible promises to give as of June 30, 2025 and 2024. Unconditional promises to give balances of more than one year are discounted at 5%.

**Note 5 - INVESTMENTS**

Investments as of June 30, 2025 and 2024 are composed of the following:

	2025		
	Cost	Fair Market Value	Excess of Market Over Cost
U.S. Government and Government			
Agency bonds and notes	\$ 13,757,959	\$ 13,855,613	\$ 97,654
Mutual funds	508,152	508,152	-
Totals	\$ 14,266,111	\$ 14,363,765	\$ 97,654
	2024		
	Cost	Fair Market Value	Excess of Cost Over Market
U.S. Government and Government			
Agency bonds and notes	\$ 12,832,475	\$ 12,743,353	\$ (89,122)
Mutual funds	487,874	487,874	-
Totals	\$ 13,320,349	\$ 13,231,227	\$ (89,122)

**Note 5 - INVESTMENTS (Continued)**

Investment activity for the years ended June 30, 2025 and 2024 is as follows:

	2025		Excess of Market Over Cost (Cost Over Market)
	Cost	Market	
Balances as of June 30, 2025	<u>\$ 14,266,111</u>	<u>\$ 14,363,765</u>	\$ 97,654
Balances as of June 30, 2024	<u>\$ 13,320,349</u>	<u>\$ 13,231,227</u>	(89,122)
Increase in unrealized appreciation			186,776
Net realized loss			(63,589)
Interest and dividend income			<u>595,488</u>
Investment income, net			<u>\$ 718,675</u>
	2024		
	Cost	Market	Excess of Cost Over Market
Balances as of June 30, 2024	<u>\$ 13,320,349</u>	<u>\$ 13,231,227</u>	\$ (89,122)
Balances as of June 30, 2023	<u>\$ 12,993,130</u>	<u>\$ 12,484,553</u>	(508,577)
Decrease in unrealized depreciation			419,455
Net realized loss			(45,922)
Interest and dividend income			<u>275,312</u>
Investment income, net			<u>\$ 648,845</u>

**Note 6 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

**Note 6 - FAIR VALUE MEASUREMENTS (Continued)**

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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'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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

- *U.S. Government and Government Agency Bonds and Notes*: Valued at the closing price reported on the active market on which the individual securities are traded. These are included in Level 1 of the fair value hierarchy.
- *Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the School are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the School are deemed to be actively traded.

The methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Note 6 - FAIR VALUE MEASUREMENTS (Continued)**

As of June 30, 2025 and 2024, assets measured at fair value on a recurring basis are comprised of and determined as follows:

Description	Fair Value As of June 30, 2025	Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Government and Government Agency bonds and notes	\$ 13,855,613	\$ 13,855,613	\$ -	\$ -
Mutual funds	508,152	508,152	-	-
Totals	\$ 14,363,765	\$ 14,363,765	\$ -	\$ -

Description	Fair Value As of June 30, 2024	Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Government and Government Agency bonds and notes	\$ 12,743,353	\$ 12,743,353	\$ -	\$ -
Mutual funds	487,874	487,874	-	-
Totals	\$ 13,231,227	\$ 13,231,227	\$ -	\$ -

As of June 30, 2025 and 2024, there were no assets measured at fair value on a non-recurring basis.

**Note 7 - PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2025 and 2024 consists of the following:

	2025	2024
Site improvements	\$ 1,096,324	\$ 1,096,324
Building improvements	2,123,282	2,110,553
Equipment	2,247,483	2,156,988
Construction in progress	732,164	44,295
	6,199,253	5,408,160
Less accumulated depreciation	(3,158,409)	(2,967,871)
Totals	\$ 3,040,844	\$ 2,440,289

Depreciation expense for the years ended June 30, 2025 and 2024 totaled \$190,538 and \$436,216, respectively.

**Note 8 - LOAN PAYABLE**

The School entered into a multiple advance loan agreement with Hancock Whitney Bank on May 20, 2021 to borrow funds for the construction of a new football field. The loan commitment provided for advances up to the amount of \$4,375,000. During the construction period, the loan was due in monthly interest-only payments. On January 21, 2023, the advance loan agreement was converted to a term loan payable in 60 monthly installments of principal and interest based on a 120-month amortization with all remaining principal due upon maturity on January 21, 2028. The loan bears interest at a fixed rate of 3%. As of June 30, 2025 and 2024, the outstanding balance on the loan was \$3,403,236 and \$3,801,187, respectively. During the years ended June 30, 2025 and 2024, interest expense on the loan totaled \$101,065 and \$112,924, respectively.

Future principal payments on the note as of June 30, 2025 are summarized as follows:

Year Ended June 30,	
2026	\$ 410,184
2027	422,836
2028	2,570,216
Total	\$ 3,403,236

**Note 9 - LEASES**

The School has a lease agreement for six modular buildings to be used as classrooms on the Willow Street Campus. Beginning in August 2019, the lease was converted to a month-to-month basis.

In addition, the School rents sport fields, event spaces, storage spaces, and various equipment during the year as needed.

Rent expense for the years ended June 30, 2025 and 2024 totaled \$112,940 and \$134,467, respectively, and is included with occupancy on the Statement of Functional Expenses.

**Note 10 - RETIREMENT PLANS**

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

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

Participants are required to contribute to the plan 8% of their annual covered payroll; the School was required to contribute 21.5% and 24.1% respectively, of the annual covered payroll of each participating employee for the years ended June 30, 2025 and 2024. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee. For the years ended June 30, 2025 and 2024, School contributions to this plan totaled \$3,592,857 and \$3,157,071, respectively.

The School also sponsors a deferred compensation plan pursuant to Section 403(b) of the IRC for the benefit of its employees. Eligible employees may elect to contribute a portion of their salary to the plan, subject to limits established by the Internal Revenue Service. The plan does not permit employer contributions.

Additionally, the School sponsored a deferred compensation plan under IRC section 457(b) for the benefit of one highly compensated employee who is not eligible to participate in the TRSL plan. The School did not contribute to the 457(b) plan during the years ended June 30, 2025 and 2024.

**Note 11 - GRANTS AND FUNDING**

The details of the most significant grants and funding arrangements are as follows:

The United States Department of Education passed through grants to The Louisiana Department of Education (LDOE), which were awarded to the School as a subrecipient, to assist meeting the costs of providing special education and related services to children with disabilities. The grant funds must be used to provide special education and related services to eligible children. For the years ended June 30, 2025 and 2024, the School recognized revenue under these grants of \$399,244 and \$537,834, respectively.

The United States Department of Education passed through a grant to the LDOE, which was awarded to the School as a subrecipient, which provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards. For the years ended June 30, 2025 and 2024, the School recognized revenue under this grant of \$273,610 and \$377,574, respectively.

The United States Department of Education passed through grants to LDOE, which were awarded to the School as a subrecipient, which provide aid under the Coronavirus Aid, Relief, and Economic Security Act. The grants were awarded to address the impact that the Coronavirus (COVID-19) has had, and continues to have, on elementary and secondary schools across the Nation. For the years ended June 30, 2025 and 2024, the School recognized revenue from these grants totaling \$165,503 and \$199,834, respectively.

OPSB provides funding for the general use of the School which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. Revenues received by OPSB from sales tax revenues, ad valorem taxes, and other sources are allocated to each school based on its enrollment. For the years ended June 30, 2025 and 2024, the School recognized revenue under this program of \$20,299,138 and \$17,249,366, respectively.

The State of Louisiana provides funding for the general use of the School which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. This state-funded per pupil allocation is based on the most recently approved minimum foundation program formula resolution. For the years ended June 30, 2025 and 2024, the School recognized revenue under this program of \$7,029,204 and \$7,279,460, respectively.

**Note 12 - PROPERTY CONTRIBUTION**

During the year ended June 30, 2024, the School contributed property to OPSB as follows:

Site improvements	\$ 5,774,072
Building improvements	5,268,081
Equipment	<u>207,319</u>
	11,249,472
Less accumulated depreciation	<u>(787,152)</u>
	<u><u>\$ 10,462,320</u></u>

**Note 13 - AVAILABILITY OF FINANCIAL ASSETS**

The School is substantially supported by grants and contributions on an unrestricted and restricted basis. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the School must maintain sufficient resources to meet those responsibilities to its grantors. Thus, financial assets may not be available for general expenditure within one year. As part of the School’s liquidity management, management established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Management established guidelines for making decisions related to managing short-term cash reserves and other investments in a prudent manner.

**Note 13 - AVAILABILITY OF FINANCIAL ASSETS (Continued)**

The following reflects the School's financial assets as of June 30, 2025, reduced by amounts not available for general use because of donor-imposed restrictions.

Financial assets:	
Cash and cash equivalents	\$ 5,314,913
Grants receivable	993,139
Student fee receivables, net	222,771
Unconditional promises to give, net	195,238
Investments	<u>14,363,765</u>
Total financial assets as of	
June 30, 2025	21,089,826
Less amounts unavailable for general	
expenditures within one year, due to:	
Unconditional promises to give	
collectible beyond twelve months	(95,238)
Donor imposed restrictions:	
Restricted by donors with	
purpose restrictions	<u>(165,790)</u>
Financial assets available to meet cash needs	
for general expenditures within one year	<u><u>\$20,828,798</u></u>

**Note 14 - SCHOOL OPERATIONS/LEASEHOLD INTEREST**

Effective January 1, 2006, the School entered into an agreement with OPSB, which allows the School to use the facilities and its contents located at 7315 Willow Street and 5624 Freret Street, or any other locations as may be approved by the School and OPSB. During 2011, this agreement was renewed by OPSB for an additional ten years expiring on June 30, 2021. During 2021, this agreement was renewed by OPSB for an additional ten years expiring on June 30, 2031 and the Marsalis Campus at 5625 Loyola Avenue was added to the agreement.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules. If capital improvements are made by the School with non-public funds to any site which it operates and the charter contract is revoked or terminated, the School will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to OPSB at the time this agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain at the property of the School.

**Note 14 - SCHOOL OPERATIONS/LEASEHOLD INTEREST (Continued)**

Use of the property is not recorded as a contribution of nonfinancial assets from OPSB and related rent expense. The value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

**Note 15 - COMMITMENTS**

As of June 30, 2025, the School has tendered offers of employment to teachers and staff that will extend through the year ending June 30, 2026.

During the year ended June 30, 2025, the School entered into a contract for the addition of an elevator at the Marsalis Campus. The amount of the contract is \$808,664. The entire balance of construction in progress of \$732,164 as of June 30, 2025 relates to the addition of the elevator at the Marsalis Campus.

**Note 16 - RISK MANAGEMENT**

The School is exposed to various risks of loss from torts, theft and damage to assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters, and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims or unsettled claims that exceeded this commercial coverage during the years ended June 30, 2025 and 2024.

**Note 17 - CONCENTRATIONS OF RISK**

The School received a substantial amount of its revenue through grants and funding programs awarded by the federal, state, and local governments for the years ended June 30, 2025 and 2024, which was approximately \$28,880,000 and \$26,370,000, respectively, or 89% and 88% of total revenue for the years ended June 30, 2025 and 2024, respectively.

All of the School's students live in the greater New Orleans area.

**Note 17 - CONCENTRATIONS OF RISK (Continued)**

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School has a written policy for custodial credit risk. As of June 30, 2025, the School's bank balances, including money market funds, were approximately \$5,312,000. Balances insured by the Federal Deposit Insurance Corporation, which covers up to \$250,000 per financial institution, totaled \$250,000 as of June 30, 2025. The remaining deposits of approximately \$5,062,000 were uninsured and collateralized with pledged securities of \$30,687,000 held by the pledging financial institution's trust department or agent, but not in the School's name.

**Note 18 - CONTINGENCIES**

The School has been named as a defendant in a lawsuit. The School's insurance carrier agreed to defend the School, subject to a reservation of rights as to certain coverage issues. At the present time, the outcome of this litigation is not determinable.

**Note 19 - RISKS AND UNCERTAINTIES**

In general, investment securities are exposed to various risks, such as interest rate, currency, credit, and market volatility. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in risk in the near term would materially affect the fair market value of investments held by the School.

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Advocates for Arts-Based Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana**

For the year ended June 30, 2025

**Agency Head Name:** Nicolette London, Chief Executive Officer

**Purpose**

Salary	\$228,600
Benefits - insurance	6,277
Benefits - retirement	48,957 <sup>(1)</sup>
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
State of LA - Professional Improvement Program (PIP) Compensation	-
	<hr/>
	<b><u>\$283,834</u></b>

<sup>(1)</sup> Paid to Teacher Retirement System of Louisiana.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Board of Trustees,  
Advocates for Arts-Based Education Corporation  
d/b/a The Willow School,  
New Orleans, Louisiana.

We have audited, 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 of America, the financial statements of Advocates for Arts-Based Education Corporation d/b/a The Willow School (a non-profit organization) (the “School”) which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the School’s financial statements, and have issued our report thereon dated December 16, 2025.

**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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness 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 have not been identified.

## **Report on Compliance and Other Matters**

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

## **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.



Certified Public Accountants.

New Orleans, Louisiana,  
December 16, 2025.

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

To the Board of Directors,  
Advocates for Arts-Based Education Corporation  
d/b/a The Willow School,  
New Orleans, Louisiana.

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the compliance of Advocates for Arts-Based Education Corporation d/b/a The Willow School (the “School”) with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (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, 2025. The School’s major federal programs are identified in the summary of auditor’s 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, 2025.

**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, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s 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 each 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.

### **Auditor's 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 Auditor's 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 on 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.



Certified Public Accountants.

New Orleans, Louisiana,  
December 16, 2025.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Advocates for Arts-Based Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana**

For the year ended June 30, 2025

<u>Federal Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
<b>United States Department of Education</b>			
Pass-through Programs From:			
<u>Louisiana Department of Education:</u>			
Special Education Cluster (IDEA):			
Special Education Grants to States (IDEA, Part B)	84.027	\$ 397,183	\$ -
Special Education Preschool Grants (IDEA Preschool)	84.173	<u>2,061</u>	<u>-</u>
Total Special Education Cluster (IDEA)		399,244	-
Other Programs:			
Title I Grants to Local Educational Agencies	84.010	273,610	-
Supporting Effective Instruction State Grant (Title II, Part A)	84.367	55,756	-
Student Support and Academic Enrichment Program (Title IV, Part A)	84.424	19,200	-
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425U	<u>165,503</u>	<u>-</u>
Total expenditures of Federal awards		<u>\$ 913,313</u>	<u>\$ -</u>

## **NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Advocates for Arts-Based Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana**

For the year ended June 30, 2025

### **Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a. General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Advocates for Arts-Based Education Corporation d/b/a The Willow School (the "School"). The School's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2025. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies.

#### **b. Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the School's financial statements for the year ended June 30, 2025.

#### **c. Indirect Cost Rate**

The School has elected to use the de minimus indirect cost rate as allowed under Uniform Guidance. The rate was 10% until October 1, 2024 when it was increased to 15%.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Advocates for Arts-Based Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana**

For the year ended June 30, 2025

**Section I - Summary of Auditor's Results**

a) Financial Statements

Type of report issued on the financial statements: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ Yes X No
  
- Significant deficiency(ies) identified that are not considered to be a material weakness? \_\_\_ Yes X None reported

Noncompliance material to financial statements noted? \_\_\_ Yes X No

b) Federal Awards

Internal controls over major programs:

- Material weakness(es) identified? \_\_\_ Yes X No
  
- Significant deficiency(ies) identified that are not considered to be a material weakness? \_\_\_ Yes X No

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

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_ Yes X No

**Section I - Summary of Auditor’s Results (Continued)**

c) Identification of Major Programs:

<u>ALN Number</u>	<u>Name of Federal Program</u>
84.027	United States Department of Education Special Education Cluster (IDEA): Special Education Grants to States (IDEA, Part B)
84.173	Special Education Preschool Grants (IDEA Preschool)

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

Auditee qualified as a low-risk auditee?      Yes   X   No

**Section II - Internal Control Over Financial Reporting and Compliance and Other Matters  
Material to the Basic Financial Statements**

**Internal Control Over Financial Reporting**

No internal control over financial reporting findings were reported during the audit for the year ended June 30, 2025.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2025.

**Section III - Federal Award Findings and Questioned Costs**

**Internal Control/Compliance**

There were no findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2025 related to internal control and compliance material to federal awards.

**REPORTS BY MANAGEMENT**

# **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**Advocates for Arts-Based Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana**

For the year ended June 30, 2025

## **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

### **Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended June 30, 2024 related to internal control over financial reporting material to the basic financial statements.

### **Compliance and Other Matters**

There were no findings material to the financial statements noted during the audit for the year ended June 30, 2024 related to compliance and other matters.

## **Section II - Internal Control and Compliance Material to Federal Awards**

### **Internal Control Over Financial Reporting**

No internal control over financial reporting findings were reported during the audit for the year ended June 30, 2024.

### **Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2024.

## **Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2024.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

**Advocates for Arts-Based Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana**

For the year ended June 30, 2025

## **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

### **Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended June 30, 2025 related to internal control over financial reporting material to the basic financial statements.

### **Compliance and Other Matters**

There were no findings material to the financial statements noted during the audit for the year ended June 30, 2025 related to compliance and other matters.

## **Section II - Internal Control and Compliance Material to Federal Awards**

There were no findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2025, related to internal control and compliance material to federal awards.

## **Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2025.

**SCHEDULES REQUIRED BY STATE LAW**  
**(R.S. 24:524 - PERFORMANCE AND STATISTICAL DATA)**  
**(UNAUDITED)**

**INDEPENDENT ACCOUNTANT’S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Trustees,  
Advocates for Arts-Based Education Corporation  
d/b/a The Willow School,  
New Orleans, Louisiana.

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Advocates for Arts-Based Education Corporation d/b/a The Willow School (the “School”), for the year ended June 30, 2025, 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.

Our procedures and associated findings are as follows:

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 2)**

1. We selected a random sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on Schedule 2.
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures

**Results:** No exceptions were noted.

### **Class Size Characteristics (Schedule 3)**

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We traced a sample of 10 classes to the October 1, 2024 roll books for those classes and observed that the class was properly classified on the schedule.

**Results:** No exceptions were noted.

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

3. We obtained the October 1, 2024 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 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.

**Results:** For 1 of the 25 individuals examined, we noted the experience level reported on the October 1, 2024 PEP data submitted to the Department of Education did not agree to the personnel file documentation, but the actual level of experience was higher than reported.

**Management Response:** Management corrected the individual's experience level in the reporting system.

### **Public School Staff Data: Average Salaries (NO SCHEDULE)**

4. We obtained the June 30, 2025 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 listing was complete. We 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).

**Results:** No exceptions were 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.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Advocates for Arts-Based Education Corporation d/b/a The Willow School as required by Louisiana Revised Statue 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
December 16, 2025.

**GENERAL FUND INSTRUCTIONAL AND SUPPORT  
EXPENDITURES AND CERTAIN LOCAL REVENUE SOURCES**

**Advocates for Arts-Based Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana**

For the year ended June 30, 2025  
(Unaudited)

**General Fund Instructional and Equipment Expenditures**

Instructional Expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 10,499,829
Other instructional staff salaries	606,428
Instructional staff employee benefits	3,259,780
Purchased professional and technical services	848,550
Instructional materials and supplies	<u>857,041</u>

Total teacher and student interaction activities \$ 16,071,628

Other instructional activities 188,251

Pupil support services 1,617,459

Less: equipment for pupil support services -

Net pupil support services 1,617,459

Instructional staff services 1,225,283

Less: equipment for instructional staff services -

Net instructional staff services 1,225,283

School administration 4,050,645

Less: equipment for school administration (190,538)

Net school administration 3,860,107

Total instructional expenditures \$ 22,962,728

\* Remainder of the BESE Schedule 2 does not apply to the School.

See independent accountant's report on applying Agreed-Upon Procedures.

**CLASS SIZE CHARACTERISTICS**

**Advocates for Arts-Based Education Corporation  
d/b/a The Willow School  
New Orleans, Louisiana**

As of October 1, 2024  
(Unaudited)

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary activity classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High activity classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High activity classes	-	-	-	-	-	-	-	-
Combination	89%	524	89%	350	87%	52	0%	-
Combination activity classes	11%	64	11%	45	13%	8	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.

See independent accountant's report on applying Agreed-Upon Procedures.



December 16, 2025

Louisiana Legislative Auditor  
1600 North 3rd Street  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

*Through*

Mr. J. Drew Chapman, CPA  
Bourgeois Bennett, LLC  
P. O. Box 60600  
New Orleans, Louisiana 70160-0600

Re: Management's Response to the Board of Elementary and Secondary Agreed-Upon  
Procedures for Advocates for Arts-Based Education Corporation d/b/a The Willow  
School

Dear Mr. Chapman:

Testing of the Profile of Educational Personnel (PEP) data for fiscal year ending June 30, 2025 yielded one exception as follows: One sampled individual had incorrect years of experience in the PEP data reported to the Department of Education. Advocates for Arts-Based Education Corporation d/b/a The Willow School personnel analyzed the reasons for the discrepancy and alternate procedures are being implemented to prevent future reporting errors.

With warm regards,

A handwritten signature in blue ink that reads "Nicolette London". The signature is fluid and cursive.

Nicolette London  
Chief Executive Officer

**STATEWIDE AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT’S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors,  
Advocates for Arts-Based Education Corporation  
d/b/a The Willow School,  
New Orleans, Louisiana.

We have performed the procedures described in Schedule 4 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2024 through June 30, 2025. Advocates for Arts-Based Education Corporation d/b/a The Willow School (the “School”) management is responsible for those C/C areas identified in the SAUPs.

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 C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 4.

We were engaged by the School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 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 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

New Orleans, Louisiana,  
December 16, 2025.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**Advocates for Arts-Based Education Corporation**  
**d/b/a The Willow School**  
New Orleans, Louisiana

For the year ended June 30, 2025

The required procedures and our findings are as follows:

**1. Procedures Performed on the School's Written Policies and Procedures:**

Prior year testing resulted in no exceptions related to written policies and procedures. Therefore, testing is not required in the current year.

**2. Procedures Performed on the School's Board or Finance Committee:**

Prior year testing resulted in no exceptions related to the board or finance committee. Therefore, testing is not required in the current year.

**3. Procedures Performed on the School's Bank Reconciliations:**

A. 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:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

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

Performance: Obtained monthly bank reconciliations for the month of March 2025 for the main operating bank account and 4 other accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

**3. Procedures Performed on the School's Bank Reconciliations: (Continued)**

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Performance: Inspected the School's documentation for the March 2025 bank reconciliations for the 5 bank accounts and verified a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged).

Exceptions: There were no exceptions noted.

- iii. 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.

Performance: Inspected documents for items outstanding for more than 12 months.

We noted checks outstanding for longer than 12 months as of the end of the fiscal period. Management was aware and had documentation showing research of the checks.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on the School's Collections (excluding electronic funds transfers):**

- A. 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).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- i. Employees responsible for cash collections do not share cash drawers/registers;

Performance: Inspected policy manuals, inquired of management as to all of the requirements.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on the School's Collections (excluding electronic funds transfers):  
(Continued)**

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

Performance: Inspected policy manuals, inquired of management as to all of the requirements.

Exceptions: There were no exceptions noted.

- iii. Each employee responsible for collecting cash is not also 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; and

Performance: Inspected policy manuals, inquired of management as to all of the requirements.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of management as to all of the requirements.

Exceptions: There were no exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was in force during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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

- i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on the School's Collections (excluding electronic funds transfers):  
(Continued)**

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
Performance: Traced supporting documentation to the deposit slip.  
Exceptions: There were no exceptions noted.
  
- iii. Trace the deposit slip total to the actual deposit per the bank statement.  
Performance: Traced deposit slip total to actual deposit per bank statement.  
Exceptions: There were no exceptions noted.
  
- iv. Observe that 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).  
Performance: Observed the date of deposits and compared that to evidence of date of receipt.  
Exceptions: Two sampled deposits took greater than one business day from receipt to be deposited. Exception noted.
  
- v. Trace the actual deposit per the bank statement to the general ledger.  
Performance: Traced the actual deposit per the bank statement to the general ledger.  
Exceptions: There was no exception noted.

**5. Procedures Performed on the School's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases):**

Prior year testing resulted in no exceptions related to non-payroll disbursements. Therefore, testing is not required in the current year.

**6. Procedures Performed on the School's Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards):**

Prior year testing resulted in no exceptions related to credit cards/debit cards/fuel cards/purchase cards (cards). Therefore, testing is not required in the current year.

**7. Procedures Performed on the School's Travel and Travel-Related Expense Reimbursements (excluding card transactions):**

Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

**8. Procedures Performed on the School's Contracts:**

Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

**9. Procedures Performed on the School's Payroll and Personnel:**

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing is not required in the current year.

**10. Procedures Performed on the School's Ethics:**

A. Obtain a listing of employees and official employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Performance: Obtained a listing of employees employed during the fiscal period from management and received management's representation that the listing is complete. Randomly selected 5 employees and examined documentation demonstrating that each had completed the required one hour of ethics training.

Exceptions: Each of the sampled employees completed the ethics training.

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

Not applicable as there were no changes to the School's ethics policy during the fiscal period.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Performance: Through inquiry of management, ethics designees are noted at each of the School's three campuses.

Exceptions: There were no exceptions noted.

**11. Procedures Performed on the School's Debt Service:**

Prior year testing resulted in no exceptions related to debt service. Therefore, testing is not required in the current year.

**12. Procedures Performed on the School's Fraud Notice:**

Prior year testing resulted in no exceptions related to fraud notice. Therefore, testing is not required in the current year.

**13. Procedures Performed on the School’s Information Technology Disaster Recovery/Business Continuity:**

Prior year testing resulted in no exceptions related to information technology disaster recovery/business continuity. Therefore, testing is not required in the current year.

**14. Procedures Performed on the School’s Prevention of Sexual Harassment:**

Prior year testing resulted in no exceptions related to sexual harassment. Therefore, testing is not required in the current year.

**Management’s Overall Response to Exceptions:**

4D.iv. School management maintains a safe at all three locations for safekeeping of cash until picked up by Loomis Armored Services. For the safety of the School’s employees, management of the School does not allow travel to the bank with cash deposits. The School contracts with the armored car service on an “on call” basis to transport cash from the School to a bank clearing house for deposit. It is cost-prohibitive to have the service on a weekly basis because the amount of cash the School collects daily is extremely low. Management of the School will utilize electronic collections for field trips and other small collections to further reduce the amount of cash collected at the School site.