

INTERNATIONAL SCHOOL OF LOUISIANA

FINANCIAL STATEMENTS

For the Years Ended June 30, 2019 and 2018



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International School of Louisiana
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June 30, 2019

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Report



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INDEPENDENT AUDITORS' REPORT

Board of Directors
International School of Louisiana
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of International School of Louisiana (a nonprofit organization) (the School), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2019 and 2018 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, management has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958); this new standard requires changes to be made in how net assets are classified based on donor restrictions and has added multiple new disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head required under Louisiana Revised Statute 24:513A(3), are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to

provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

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

December 30, 2019



Financial Statements

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

<i>As of June 30,</i>	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,675,349	\$ 7,716,890
Certificate of deposit	6,017,698	17,432
Receivables	311,908	289,361
Prepaid expenses	-	24,500
Total current assets	10,004,955	8,048,183
PROPERTY AND EQUIPMENT		
Leasehold improvements	1,589,930	1,589,930
Furniture and equipment	698,402	698,402
Vehicles	30,526	30,526
Total property and equipment	2,318,858	2,318,858
Accumulated depreciation	(2,297,946)	(2,253,590)
Total property and equipment, net	20,912	65,268
OTHER ASSETS		
Restricted investments - endowment fund	15,613	15,613
Deposits	18,855	2,685
Total other assets	34,468	18,298
TOTAL ASSETS	\$ 10,060,335	\$ 8,131,749

(Continued)

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

International School of Louisiana
Statements of Financial Position

<i>As of June 30,</i>	<i>2019</i>	<i>2018</i>
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 142,887	\$ 38,436
Accrued salaries and related expenses	499,001	463,727
Deferred revenue	-	500
Capital leases payable, current portion	-	10,585
Total current liabilities	641,888	513,248
LONG TERM LIABILITIES		
Capital leases payable, net of current portion	-	-
Total long term liabilities	-	-
TOTAL LIABILITIES	641,888	513,248
NET ASSETS		
Without donor restriction	9,343,562	7,544,180
With donor restriction	74,885	74,321
TOTAL NET ASSETS	9,418,447	7,618,501
TOTAL LIABILITIES AND NET ASSETS	\$ 10,060,335	\$ 8,131,749

(Concluded)

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

International School of Louisiana
Statement of Activities

<i>For the year ended June 30,</i>	2019		
	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	Total
PUBLIC SUPPORT AND OTHER REVENUES			
Minimum Foundation Program	\$ 13,832,318	\$ -	\$ 13,832,318
Grants			
Federal sources	1,139,150	-	1,139,150
State sources	29,288	-	29,288
Local sources	38,641	-	38,641
Student fees and field trips	209,547	-	209,547
Food services	149,685	-	149,685
Fundraising	60,822	-	60,822
Donations and contributions	9,160	-	9,160
Miscellaneous income	70,946	564	71,510
Investment gain	-	9	9
Net assets released from restrictions	9	(9)	-
Total public support and other revenues	15,539,566	564	15,540,130
EXPENSES			
Program services	11,915,027	-	11,915,027
Supporting services:			
Administrative	1,825,157	-	1,825,157
Total Expenses	13,740,184	-	13,740,184
CHANGES IN NET ASSETS	1,799,382	564	1,799,946
NET ASSETS - Beginning of Year	7,544,180	74,321	7,618,501
NET ASSETS - End of Year	\$ 9,343,562	\$ 74,885	\$ 9,418,447

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

**International School of Louisiana
Statement of Activities**

<i>For the year ended June 30,</i>	2018		
	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	Total
PUBLIC SUPPORT AND OTHER REVENUES			
Minimum Foundation Program	\$ 13,570,524	\$ -	\$ 13,570,524
Grants			
Federal sources	1,154,775	-	1,154,775
State sources	65,867	-	65,867
Local sources	14,808	-	14,808
Student fees and field trips	335,808	-	335,808
Food services	128,639	-	128,639
Fundraising	11,481	-	11,481
Donations and contributions	17,990	-	17,990
Miscellaneous income	49,504	-	49,504
Investment gain	-	608	608
Net assets released from restrictions	4,338	(4,338)	-
Total public support and other revenues	15,353,734	(3,730)	15,350,004
EXPENSES			
Program services	11,515,212	-	11,515,212
Supporting services:			
Administrative	1,700,042	-	1,700,042
Total Expenses	13,215,254	-	13,215,254
CHANGES IN NET ASSETS	2,138,480	(3,730)	2,134,750
NET ASSETS - Beginning of Year	5,405,700	78,051	5,483,751
NET ASSETS - End of Year	\$ 7,544,180	\$ 74,321	\$ 7,618,501

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

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

For the Year Ended June 30,

2019

	Program Expenses	Administrative Expenses	Fundraising Expenses	Total
Salaries and wages	\$ 7,531,168	\$ 1,087,036	\$ -	\$ 8,618,204
Employee benefits	975,471	124,316	-	1,099,787
Payroll taxes	564,375	77,191	-	641,566
Accounting and audit	-	45,600	-	45,600
Advertising	7,007	20,899	-	27,906
Communications	36,261	19,388	-	55,649
Depreciation	44,356	-	-	44,356
Dues and fees	59,775	62,928	-	122,703
Equipment	25,212	1,451	-	26,663
Food and related expenses	231,159	-	-	231,159
Insurance	200,051	33,505	-	233,556
Legal fees	13,445	1,839	-	15,284
Materials and supplies	454,601	50,182	-	504,783
Miscellaneous	122,409	20,980	-	143,389
Occupancy	472,201	16,421	-	488,622
Professional services	360,671	233,493	-	594,164
Repairs and maintenance	417,501	4,399	-	421,900
Student transportation	374,368	-	-	374,368
Travel	24,996	25,529	-	50,525
	\$ 11,915,027	\$ 1,825,157	\$ -	\$ 13,740,184

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

International School of Louisiana
Statement of Functional Expenses

For the Year Ended June 30,

2018

	Program Expenses	Administrative Expenses	Fundraising Expenses	Total
Salaries and wages	\$ 7,217,632	\$ 893,395	\$ -	\$ 8,111,027
Employee benefits	831,009	204,428	-	1,035,437
Payroll taxes	537,392	68,925	-	606,317
Accounting and audit	-	49,500	-	49,500
Advertising	1,509	27,743	-	29,252
Communications	49,819	13,446	-	63,265
Depreciation	308,462	-	-	308,462
Dues and fees	52,538	43,054	-	95,592
Equipment	14	1,464	-	1,478
Food and related expenses	255,894	1,545	-	257,439
Insurance	175,196	17,110	-	192,306
Legal fees	10,940	9,189	-	20,129
Materials and supplies	450,589	71,797	-	522,386
Miscellaneous	59,047	43,242	-	102,289
Occupancy	341,043	4,510	-	345,553
Professional services	407,901	236,632	-	644,533
Repairs and maintenance	780,966	79	-	781,045
Student transportation	15,750	-	-	15,750
Travel	19,511	13,983	-	33,494
	\$ 11,515,212	\$ 1,700,042	\$ -	\$ 13,215,254

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

International School of Louisiana
Statements of Cash Flows

<i>For the years ended June 30,</i>	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,799,946	\$ 2,134,750
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	44,356	308,462
Loss on disposals of property and equipment	-	-
Changes in operating assets and liabilities:		
Receivables	(22,547)	(72,847)
Prepaid expenses	24,500	(24,500)
Deposits	(16,170)	302
Accounts payable	104,451	(88,543)
Accrued salaries and related expenses	35,274	146,806
Deferred revenue	(500)	(10,235)
Net cash provided by operating activities	1,969,310	2,394,195
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(8,669)
Earnings on certificates of deposit	(266)	-
Purchases of certificates of deposit	(6,000,000)	-
Net cash used in investing activities	(6,000,266)	(8,669)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	-	-
Principal payments on capital leases	(10,585)	(115,416)
Net cash used in financing activities	(10,585)	(115,416)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(4,041,541)	2,270,110
CASH AND CASH EQUIVALENTS - Beginning of Year	7,716,890	5,446,780
CASH AND CASH EQUIVALENTS - End of Year	\$ 3,675,349	\$ 7,716,890

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). Under FASB, The School is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restriction – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising donations or contributions, and performing administrative functions.

Net Assets With Donor Restriction – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted. As of June 30, 2019 and 2018, net assets with donor restriction was \$74,321 and \$74,321, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

Estimates

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

Fair Value Measurements

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash, which is held in interest bearing accounts, consisted of with and without donor restrictions. Without donor restriction cash balances represent cash available for general operating purposes.

For the purpose of the statements of cash flows, the School considers all highly liquid investments available for current use and is without donor restriction with a maturity of three months or less to be cash equivalents.

The School maintains its cash balances in a single financial institution located in New Orleans, Louisiana. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2019 and 2018, the uninsured portion of this balance was \$3,607,628 and \$7,461,861. The School has not experienced any losses in such accounts and Management does not believe the School is exposed to significant risk.

Receivables

Receivables consisted of the unpaid balance as of year-end for State and Federal awards and student receivables. Grants are billed to the awarding agency based on expenses incurred on a reimbursement basis. Student receivables consisted of childcare, enrichment, and supply fees. Receivables are stated at the amount management expects to collect from outstanding balances. There was no allowance for doubtful accounts as of June 30, 2019 and 2018.

Property and Equipment

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

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

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

Depreciation expense was \$44,356 and \$308,462 for the years ended June 30, 2019 and 2018, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certificates of Deposit

Certificates of deposit are held at a local bank. Certificates of deposit totals \$6,017,698 and \$17,432 at June 30, 2019 and 2018, respectively. Initial maturities at purchase of these certificates ranged from 6 months to 1 year, with penalties for early withdrawal. At June 30, 2019, the interest rates ranged from 0.9% to 2.52%, with interest paid periodically on a monthly basis.

Impairment of Long-Lived Assets

The School reviews long-lived assets, consisting of property and equipment and cost in excess of net income acquired, for impairment and determines whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable. The School determines recoverability of the assets by comparing the carrying value of the asset to net future undiscounted cash flows that the asset is expected to generate. The impairment recognized is the amount by which the carrying amount exceeds the fair market value of the asset. There were no asset impairments recorded during 2019 or 2018.

Contributions

In accordance with the Financial Accounting Standards Board, contributions received are recorded as with donor restriction or without donor restriction, depending on the existence and/or nature of any donor restrictions. As of June 30, 2019 and 2018, the School did not receive any contributions with donor-imposed restrictions that resulted in net assets with donor restrictions.

Revenue Recognition

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

In-Kind Support

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. For the years ended June 30, 2019 and 2018, the School did not receive in-kind goods or services that were significant in amount.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations

The School received 89% and 89% of its revenues for the years ended June 30, 2019 and 2018, respectively, from the State of Louisiana, subject to its Charter School Contract with the State. The School also received 7% and 8% of its funding from federal sources passed through the State for the years ended June 30, 2019 and 2018, respectively.

Deferred Revenue

Deferred revenue includes amounts for unearned student supply and enrichment fees. Such fees are recognized as revenue when the fees are earned by the School. For the years ended June 30, 2019 and 2018, deferred revenues totaled \$0 and \$500, respectively.

Advertising

The School expenses all advertising costs as incurred that are not direct-response. For the years ended June 30, 2019 and 2018, the School incurred and expensed advertising costs of \$27,906 and \$29,252, respectively. There was no direct-response advertising done for the years ended June 30, 2019 and 2018.

Revenue With and Without Donor Restriction

Donations that are restricted by the donor are reported as increases in revenue without donor restriction if the restrictions expire (that is, a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted donations are reported as increases in revenue with donor restriction, depending on the nature of the restriction.

When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restriction. As of June 30, 2019, net assets with donor restriction consisted of \$15,613 for facility repairs and \$59,272 for playground equipment. As of June 30, 2018, net assets with donor restriction consisted of \$15,613 for facility repairs and \$58,708. Facility repairs funds are restricted in perpetuity (see Note 3). Playground equipment funds are restricted for specific use.

Compensated Absences

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

As required under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958), the Organization has presented a consolidated statement of functional expense as part of its audited consolidated financial statements. The consolidated financial statements of the Organization report certain categories of expenses that are attributable to more than one program or supporting function. The majority of expense are allocated based on actual time and effort. However, insurance, repairs and maintenance, disposal services, IT services, utilities, and depreciation require allocation based on the square footage of the building.

New Accounting Pronouncement

Effective July 1, 2018, the School adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The School has adjusted the presentation of its financial statements accordingly. The new standard changes the following aspect of the School's financial statements:

- The temporarily restricted and permanently restricted net assets have been combined into a single net asset class called net assets with donor restriction.
- The unrestricted net asset class has been renamed net assets without donor restriction
- The financial statements include a new disclosure about liquidity and availability of resources (Note 2).
- The statement of functional expenses are allocated by both nature and function (Note 1).

The changes have the following effect on net assets at June 30, 2018 (after restatement, see note 14):

	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 7,544,180	\$ -
Temporarily restricted net assets	62,438	-
Permanently restricted net assets	15,613	
Net assets without donor restriction	-	7,544,180
Net assets with donor restriction	-	78,051

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Financial Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance. These amendments are effective for the fiscal year ending June 30, 2020. Early adoption with certain restrictions is permitted. The School is currently evaluating the impact of the guidance on its financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): *Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the consolidated statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. This amendment is effective for the fiscal year ending June 30, 2020. The School is currently evaluating the impact of the guidance on its financial statements.

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for transactions in which the Organization serves as a resource recipient for the fiscal year ending June 30, 2020. Early adoption is permitted. The School is currently evaluating the impact of the guidance on its financial statements.

A variety of proposed or otherwise potential accounting standards are currently under review and study by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, The School has not yet determined the effect, if any, that the implementation of any such proposed or revised standards would have on its financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

During the year ended June 30, 2019, management determined certain funds received previously should have been purpose restricted. As such, \$62,438 in net assets without donor restriction was reclassified to net assets with donor restriction as of July 1, 2018. This reclassification had no effect on net income as previously reported.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The School has \$10,004,955 of financial assets available within one year of the balance sheet date consisting of cash of \$3,675,349, grants and other receivables of \$311,908, and certificates of deposit of \$6,017,698. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The School has a goal to maintain financial assets, consisting of cash on hand, to meet 30 days of operating expenses. Management estimates 60 days of operating expenses to be \$2,277,655 and believes it has appropriate available financial resources as of June 30, 2019. As part of its liquidity management, the School maintains certificates of deposit at a local bank which pays interest on the balances maintained.

NOTE 3 – RESTRICTED INVESTMENTS

The School established an endowment fund resulting from an agreement with The Richard West Freeman Foundation. The initial contribution of \$15,613 is permanently restricted and any earnings, net of expenses, will be temporarily restricted for further repairs. As of June 30, 2019 and 2018, there was no temporarily restricted cash related to the endowment fund.

NOTE 4 – INVESTMENTS

As of June 30, 2019 and 2018, the School had investments as follows:

	2019	2018
Mutual funds - endowment fund	\$ 15,613	\$ 15,613
Total Investments	\$ 15,613	\$ 15,613

NOTE 4 – INVESTMENTS (CONTINUED)

Investment income consisted of the following for the years ended June 30, 2019 and 2018:

	2019	2018
Mutual funds - endowment fund		
Interest and dividends	\$ 953	\$ 1,569
Realized and unrealized (loss)/gain	(944)	(961)
Total return on investments	\$ 9	\$ 608

NOTE 5 – FAIR VALUE MEASUREMENTS

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

Description	Total Assets Measured At Fair Value	Quoted Prices In Active Markets (level 1)	Other Observable Inputs (level 2)	Unobservable Inputs (level 3)
As of June 30, 2019				
Endowment fund	\$ 15,613	\$ 15,613	\$ -	\$ -
Total	\$ 15,613	\$ 15,613	\$ -	\$ -
As of June 30, 2018				
Endowment fund	\$ 15,613	\$ 15,613	\$ -	\$ -
Total	\$ 15,613	\$ 15,613	\$ -	\$ -

NOTE 6 – RETIREMENT PLAN

The School offers a defined contribution plan covering all employees upon the completion of 30 days of service with the School. Funding of the plan is derived from two sources. The School contributes 6% of all covered employees' salaries annually. The employees also have the option to contribute up to the maximum as permitted under section 403(b) of the Internal Revenue Code to the plan through a payroll deduction at no expense to the School. Retirement expense was \$397,831 and \$368,271 for the years ended June 30, 2019 and 2018, respectively.

NOTE 7 – CAPITAL LEASES

During 2013, the School acquired modular buildings totaling \$246,725 under the provisions of a five year capital lease agreement. During 2014, the School acquired modular buildings totaling \$288,805 under a five year capital lease. Amortization of these capital leases included in depreciation expense amounted to \$0 and \$115,416 for the years ended June 30, 2019 and 2018, respectively. As the last contract expired as of June 30, 2019, there are no future principal payments under these leases.

NOTE 8 – LINES OF CREDIT

The School had a \$500,000 line of credit with a financial institution that was secured by the cash of the School. The line of credit bore interest at 3.00% per annum and matured on October 1, 2016. The line of credit was subsequently renewed until October 1, 2017. The line of credit was not renewed on October 1, 2017.

NOTE 9 – MINIMUM FOUNDATION PROGRAM GRANTS

The Minimum Foundation Program formula adopted by the State Board of Elementary and Secondary Education (SBESE) and approved by the State Legislature determines the cost of a minimum foundation program of education in all public elementary and secondary schools and helps to allocate the funds equitably to parish, city and other local school systems. Funding through the Minimum Foundation Program is essentially in the form of a block grant from the State to the local school systems. Revenues received by the State are from sales tax revenues, ad valorem taxes, and other sources which are allocated to each school based on its enrollment and other student characteristics. The School averaged 1,395 and 1,376 students enrolled for the school year and recognized revenue under this grant of \$13,832,318 and \$13,570,524 for the years ended June 30, 2019 and 2018, respectively.

NOTE 10 – SCHOOL OPERATIONS/LEASEHOLD INTEREST

Uptown Campus

On July 1, 2018 the School entered into a lease agreement with the Orleans Parish School Board (OPSB) for the use of facilities and its contents at its Uptown location. This lease expires on June 30, 2021. The School agrees to pay OPSB a Use Fee and participate in OPSB's Per Pupil Unit Cost Program (Unit Cost Program). The Use Fee shall be the per pupil share of the actual costs of the property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Unit Cost Program, including any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship.

NOTE 10 – SCHOOL OPERATIONS/LEASEHOLD INTEREST (CONTINUED)

For the years ended June 30, 2019 and 2018, the School paid annual usage fees to the OPSB of \$74,253 and \$0, respectively. The School Board can increase this fee prior to the next fiscal year based on the actual cost of flood and property insurance they are able to obtain.

Westbank Campus

For the years ended June 30, 2019 and 2018, the School has a lease agreement that expired in June 2017 for its Algiers campus located in New Orleans, Louisiana. The School is responsible for all repairs, maintenance and utilities for occupancy. This lease was renewed as of July 1, 2017 and expires on June 30, 2026.

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

2020	\$	120,340
2021		120,340
2022		131,280
2023		131,280
2024		131,280
Thereafter		262,560
Total	\$	897,050

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

Dixon Campus

On July 1, 2017 the School entered into a lease agreement with the Orleans Parish School Board (OPSB) for the use of facilities and its contents at its Dixon location. This lease expires on June 30, 2021. The School agrees to pay OPBS a Use Fee and participate in OPSB’s Per Pupil Unit Cost Program (Unit Cost Program). The Use Fee shall be the per pupil share of the actual costs of the property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Unit Cost Program, including any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship.

NOTE 10 – SCHOOL OPERATIONS/LEASEHOLD INTEREST (CONTINUED)

For the years ended June 30, 2019 and 2018, the School paid annual usage fees to the OPSB of \$74,253 and \$100,274, respectively. The School Board can increase this fee prior to the next fiscal year based on the actual cost of flood and property insurance they are able to obtain.

Administration Building

For the years ended June 30, 2019, the School entered into lease agreement for its Administration Building located in New Orleans, LA. This lease expires on June 30, 2020.

The minimum lease payments for the Administration Building are as follows for the years ending June 30,

2020	\$	19,800
Total	\$	19,800

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 30, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion of these financial statements.



Supplementary Information

International School of Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the year ended June 30,

2019

Agency Head Name: Melanie Tennyson, Head of School

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

See independent auditors' report



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

Board of Directors
International School of Louisiana
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of International School of Louisiana (a nonprofit organization) (the School), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 30, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Carri Riggs & Ingram, L.L.C.

December 30, 2019



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

Board of Directors
International School of Louisiana
New Orleans, Louisiana

Report on Compliance for The Major Federal Program

We have audited International School of Louisiana's (a nonprofit organization) (the School) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2019. The School's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on The Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned cost as item 2019-001 that we consider to be a significant deficiency.

The School's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

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

December 30, 2019

**International School of Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Federal Expenditures</i>	<i>Amount Passed through to subrecipient</i>	<i>Total Federal Expenditures</i>
<i>Other Programs</i>					
United States Department of Education/Direct Program/Special Education Cluster					
Special Education Grants to States	84.027A	H027A130033	\$ 171,163		\$ 171,163
United States Department of Education/Direct Programs					
Title II Grants to Local Educational Agencies	84.367A	S367A130017	60,836		60,836
Title I Grants to Local Educational Agencies	84.010A	S010A130018	465,089		465,089
<i>Total Department of Education</i>			697,088		697,088
United States Department of Agriculture/Direct Program/Child Nutrition Cluster					
National School Lunch Program	10.555	5F9270	442,062		442,062
<i>Total United States Department of Agriculture</i>			442,062		442,062
<i>Total Expenditures of Federal Awards</i>			\$ 1,139,150		\$ 1,139,150

See independent auditors' report



International School of Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the revenues from federal awards of the School as defined in Note 1 to the School's basic financial statements. All federal awards were received directly from Federal agencies.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School and is presented on the accrual basis of accounting. The School elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues are reported in the School's basic financial statements as program revenues.

NOTE 4 – LOAN

The School did not expend federal awards related to loans or loan guarantees during the year.

NOTE 5 – FEDERALLY FUNDED INSURANCE

The School has no federally funded insurance.

NOTE 6 – NONCASH ASSISTANCE

The School did not receive any federal noncash assistance for the fiscal year ended June 30, 2019.

**International School of Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards

- | 1. Type of auditors’ report issued | Unmodified | | | | |
|---|------------------------------------|----------|--|---------|--|
| 2. Internal control over financial reporting: | | | | | |
| a. Material weaknesses identified? | None noted | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes | | | | |
| 3. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? | None noted | | | | |
| 4. Identification of the major programs: | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Name of Federal Award (or Cluster)</th> <th style="text-align: left; border-bottom: 1px solid black;">CFDA No.</th> </tr> </thead> <tbody> <tr> <td>Title 1 Grants to Local Education Agencies</td> <td>84.010A</td> </tr> </tbody> </table> | Name of Federal Award (or Cluster) | CFDA No. | Title 1 Grants to Local Education Agencies | 84.010A | |
| Name of Federal Award (or Cluster) | CFDA No. | | | | |
| Title 1 Grants to Local Education Agencies | 84.010A | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | |
| 6. Auditee qualified as a low-risk auditee?
Yes | | | | | |

**International School of Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

II – FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE

None noted.

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

2019-001: LEVEL OF EFFORT AND REPORTING

Title and CFDA Number of Federal Program: CFDA 84.010 Title I – Grants to Local Educational Agencies

Federal Award Identification Number and Year: S010A130018 / 2019

Name of Federal Agency: Department of Education

Questioned Costs: No questioned costs noted.

Criteria: Level of Effort & Reporting - As described in 2 CFR Part 200.61, subrecipients of federal funds must design and implement internal controls designed to provide reasonable assurance regarding the achievement of the reliability of the reporting for internal and external use.

Condition: There is no control in place to review and approve the application (including the level of effort calculation) or the reimbursement requests before they are submitted to the federal agency for reporting purposes as required by 2 CFR Part 200, Appendix XI Compliance Supplement.

Effect: Lack of controls over this compliance requirement may impact compliance.

Cause: The School has no control in place over the compliance requirement over Matching, Level of Effort and Earmarking.

Auditors' Recommendation: Management should design, implement, and document policies and procedures to review and approve the Title I application (including the level of effort calculation), and all related reimbursement requests.

Management's Response: See corrective action plan on page 35.



**International School of Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

IV – MANAGEMENT LETTER

None issued.



**International School of Louisiana
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2019**

II – FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE

None noted.

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

None noted.

IV – MANAGEMENT LETTER

None issued.



INTERNATIONAL
SCHOOL OF LOUISIANA

December 30, 2019

PART III – Findings Related to Major Federal Award Program

2019-001: SIGNIFICANT DEFICIENCY: LEVEL OF EFFORT AND REPORTING

Planned Corrective Action: Management will design, implement, document control policies to review and approve the TITLE I application (including the level of effort calculation) and reimbursement requests.

Anticipated Completion Date: January 30, 2020

Responsible Party: Emily Thomas, COO and Melanie Tennyson, CEO/Head of School

Signature: Melanie Tennyson
Title: Head of School / CEO
Signature: Emily Thomas
Title: Chief of Operations

INTERNATIONAL SCHOOL OF LOUISIANA

BESE AGREED-UPON PROCEDURES REPORT

For the Year Ended June 30, 2019



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of International School of Louisiana (a nonprofit organization) (the School), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results related to the accompanying schedules of supplementary information and are as follows:

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

1. We will select a sample of 25 transactions, review supporting documentation and observe that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Results: No exceptions were noted in performing this procedure.

Class Size Characteristics (Schedule 2)

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

Results: No exceptions noted in performing this procedure.

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

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

Results: No exceptions noted in performing this procedure.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We will obtain June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtain management's representation that the data/listing is complete. We will then select a sample of 25 individuals, trace to each individual's personnel file, and observe 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: Exception noted; one (1) of twenty-five (25) individuals' salary was incorrectly reported on the June 30, 2019 PEP Report.

This agreed-upon procedures engagement was performed 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, 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.

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 International School of Louisiana, as required by Louisiana Revised Statute 24:514 I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Carri Riggs & Ingram, L.L.C.

December 30, 2019

International School of Louisiana
Schedule 1 - General Fund Instructional and Support
Expenditures and Certain Local Revenue Sources
For the Year Ended June 30, 2019

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 4,505,363	
Other instructional staff activities	959,076	
Instructional Staff Employee benefits	1,133,785	
Purchased professional and technical services	56,014	
Instructional materials and supplies	226,662	
Less instructional equipment	-	
Total teacher and student interaction activities	-	\$ 6,880,900

Other instructional activities -

Pupil support activities	\$ 453,314	
Less equipment for pupil support activities	-	
Net pupil support activities	-	453,314

Instructional Staff Services	\$ 126,770	
Less equipment for instructional staff services	-	
Net instructional staff services	-	126,770

School Administration	\$ 2,831,082	
Less: Equipment for School Administration	-	
Net School Administration	-	2,831,082

Total general fund instructional expenditures \$ 10,292,066

Total general fund equipment expenditures \$ -

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

**International School of Louisiana
Schedule 2 - Class Size Characteristics
For the Year Ended June 30, 2019**

As of October 1, 2018

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	32%	150	47%	286	6%	33	0%	-
Elementary Activity Classes	5%	22	9%	60	1%	7	0%	-
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	0%	-	0%	-	0%	-	0%	-
High Activity Classes	0%	-	0%	-	0%	-	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

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



INTERNATIONAL
SCHOOL OF LOUISIANA

December 30, 2019

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

And

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

RE: Management's Response to
Board of Elementary and Secondary Education Agreed-Upon Procedures
International School of Louisiana

Dear Sirs:

International School of Louisiana will review policies and procedures in regard to the comments for each schedule of performance and statistical data and make appropriate changes that will improve reporting on each schedule of performance and statistical data that are cost effective and within our budget constraints.

Sincerely,

Melanie Tennyson
Head of School

INTERNATIONAL SCHOOL OF LOUISIANA

AGREED-UPON PROCEDURES REPORT

For the Year Ended June 30, 2019



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the International School of Louisiana (the School) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The School's management is responsible for those C/C areas identified in the SAUPs.

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

The required procedures and our associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: No exceptions were found as a result of applying the procedure.

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

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

Results: No exceptions were found as a result of applying the procedure. We noted and selected 4 locations that process payments.

3. For each location selected under #2 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

4. For each location selected under #2 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

Results: No exceptions were found as a result of applying the procedure.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #3, as applicable.

Results: No exceptions were found as a result of applying the procedure.

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

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

Results: No exceptions were found as a result of applying the procedure.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Results: No exceptions were found as a result of applying the procedure.

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

Results: No exceptions were found as a result of applying the procedure.

7. Using the monthly statements or combined statements selected under #5 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed

additional procedures, other matters might have come to our attention that would have been reported to you.

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

Cary Riggs & Ingram, L.L.C.

December 30, 2019