

**INTERNATIONAL SCHOOL
OF LOUISIANA**

Audit of Financial Statements

June 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/18/07

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Independent Auditors' Report

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

We have audited the accompanying statement of financial position of International School of Louisiana (the School), a nonprofit organization, as of June 30, 2006, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International School of Louisiana as of June 30, 2006, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the School's basic financial statements. The accompanying schedule of board of trustees and the schedule of expenditures of federal awards, which is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are not a required part of the basic financial statements of the International School of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2007, on our consideration of International School of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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* and should be read in conjunction with this report in considering the results of our audit.

A Professional Accounting Corporation

January 19, 2007

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INTERNATIONAL SCHOOL OF LOUISIANA
Statement of Financial Position
June 30, 2006

Assets

Current Assets

Cash and Cash Equivalents	\$ 203,838
Grants Receivable	396,137
Prepaid Expenses	<u>7,889</u>

Total Current Assets 607,864

Property, Plant and Equipment

Land and Buildings	486,362
Computers and Equipment	<u>68,038</u>

Total at Cost 554,400

Less Accumulated Depreciation (52,602)

Net Property, Plant and Equipment 501,798

Other Assets

Deposits	<u>13,718</u>
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Total Assets \$ 1,123,380

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 44,482
Accrued Payroll Liabilities	19,084
Current Maturities of Note Payable	9,091
Deferred Revenue	32,344
Due to FTCO - Restricted Funds	<u>854</u>

Total Current Liabilities 105,855

Long-Term Liabilities

Note Payable, Net of Current Portion	<u>68,365</u>
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Total Liabilities 174,220

Net Assets

Unrestricted	935,027
Temporarily Restricted	<u>14,133</u>

Total Net Assets 949,160

Total Liabilities and Net Assets \$ 1,123,380

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

INTERNATIONAL SCHOOL OF LOUISIANA
Statement of Activities
For the Year Ended June 30, 2006

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains and Other Support			
State Public School Funding	\$ 1,477,933	\$ -	\$ 1,477,933
Other State Funding	41,697	-	41,697
Federal Grants	707,619	-	707,619
Other Income	286,212	3,558	289,770
	<hr/>		
Total Revenue, Gains and Other Support	2,513,461	3,558	2,517,019
	<hr/>		
Expenses			
Program Services			
Regular Education Programs	862,162	-	862,162
Support Services			
School Administration	232,840	-	232,840
Operation and Maintenance of Plant	269,666	-	269,666
Food Service	33,559	-	33,559
General Administration	141,600	-	141,600
Instructional Staff Support	84,124	-	84,124
Community Service	4,204	-	4,204
Pupil Support	7,394	-	7,394
Business Services	40,869	-	40,869
Central Services	1,213	-	1,213
Depreciation	23,664	-	23,664
Loss on Disposal of Fixed Assets	113,369	-	113,369
Facility Acquisition	29,288	-	29,288
	<hr/>		
Total Expenses	1,843,952	-	1,843,952
	<hr/>		
Increase in Net Assets	669,509	3,558	673,067
Net Assets, Beginning of Year	265,518	10,575	276,093
	<hr/>		
Net Assets, End of Year	\$ 935,027	\$ 14,133	\$ 949,160
	<hr/>		

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

INTERNATIONAL SCHOOL OF LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2006

Cash Flows from Operating Activities	
Increase in Net Assets	\$ 673,067
Adjustments to Reconcile Increase in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	23,664
Loss on Disposal of Fixed Assets	113,369
Increase in Grants Receivable	(379,163)
Decrease in Other Receivables	969
Decrease in Prepaid Expenses	5,878
Increase in Accounts Payable	36,057
Decrease in Accrued Payroll Liabilities	(89,708)
Decrease in Deferred Revenue	<u>(8,654)</u>
Total Adjustments	<u>(297,588)</u>
Net Cash Provided by Operating Activities	<u>375,479</u>
Cash Flows from Investing Activities	
Purchase of Fixed Assets	<u>(73,711)</u>
Net Cash Used in Investing Activities	<u>(73,711)</u>
Cash Flows from Financing Activities	
Net Payments on Notes Payable	<u>(396,478)</u>
Net Cash Used in Financing Activities	<u>(396,478)</u>
Net Decrease in Cash and Cash Equivalents	(94,710)
Cash and Cash Equivalents, Beginning of Year	<u>298,548</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 203,838</u></u>

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

International School of Louisiana (the School) was created as a non-profit corporation under the laws of the State of Louisiana, on December 13, 1999. The School entered into a Charter School Contract with the Louisiana State Board of Elementary and Secondary Education beginning March 20, 2000, under which the School operates a Type II charter school as defined in Louisiana Revised Statutes 17:3971, et seq. The School serves eligible students in kindergarten through fourth grade primarily from the parishes of Orleans, Jefferson, St. Tammany, St. Charles and St. Bernard.

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Financial Statement Presentation

The School follows the guidance of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose restrictions.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Revenues

The School's primary source of funding is through the State Public School Fund. The School receives \$6,987 per eligible student in attendance on October 1, payable in monthly installments. The October 1 student count is audited by the Louisiana Department of Education. Adjustments are made in the following year. State and federal grants are on a cost reimbursement basis. Accrual is made when eligible expenses occur.

Fixed Assets and Depreciation

Fixed assets are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fixed Assets and Depreciation (Continued)

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives of the assets. The following are the estimated useful lives of the fixed assets of the School:

	Useful Lives
Leasehold Improvements	10 - 40
Computers and Equipment	5 - 7
Furniture and Fixtures	5 - 7

Income Taxes

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The School received 60% of its revenues in the year ended June 30, 2006, from the State of Louisiana, subject to its charter school contract with the State. Financial instruments that potentially subject the School to concentrations of credit risk consist of cash in excess of federally insured limits of \$46,695.

Note 2. Cash and Cash Equivalents

As of June 30, 2006, cash consists of demand deposits in a local bank of \$203,838.

Note 3. Grants Receivable

As of June 30, 2006, grants receivable consisted of amounts due from the following sources:

Hurricane Education Recovery Act	\$ 370,424
Other	<u>25,713</u>
	<u>\$ 396,137</u>

INTERNATIONAL SCHOOL OF LOUISIANA
June 30, 2006

Notes to Financial Statements

Note 4. Notes Payable

At June 30, 2006, the School was obligated under the following agreements:

Note payable to Qualified Zone Academy Bond dated February 1, 2002, payable in quarterly installments of \$2,273. The loan proceeds are advanced on a reimbursement basis for qualified expenditures made by the School up to \$125,000. The note is non-interest bearing. \$ 77,456

Due in One Year 9,091

\$ 68,365

Principal payments required in future years as of June 30, 2006, are as follows:

Year Ending June 30,	
2007	\$ 9,091
2008	9,091
2009	9,091
2010	9,091
Thereafter	<u>41,092</u>
Total	<u>\$ 77,456</u>

Note 5. Retirement Plans

International School of Louisiana offers a defined contribution plan covering all employees upon the completion of 30 days of service with the School. Funding of the retirement plan is derived from two sources. The School contributes 6% of all covered employees' salaries annually. Also, all employees 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. Pension expense amounted to \$15,188 for the fiscal year ending June 30, 2006.

INTERNATIONAL SCHOOL OF LOUISIANA
June 30, 2006

Notes to Financial Statements

Note 6. Fixed Assets

Depreciation expense for the year ended June 30, 2006, was \$23,664.

All assets acquired with Department of Education funds are owned by the School while used in the purpose for which they were purchased. The Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

Note 7. Advertising

During the year ended June 30, 2006, the School incurred advertising costs of \$3,972, which was expensed.

Note 8. Cash Flow Disclosure

During the year ended June 30, 2006, the School paid \$8,723 in interest, which was expensed.

Note 9. Restricted Net Assets

During the year ended June 30, 2006, the School received an additional \$3,558 in temporarily restricted net assets for a total of \$14,133. These assets are to be held in deposit accounts until each associated class graduates from the School.

Note 10. Hurricane Katrina

On August 29, 2005, the School was severely impacted by Hurricane Katrina. The School's buildings and other property, as well as financial and other administrative records were destroyed in the floodwaters. For the year ended June 30, 2006, the School recorded a loss on fixed assets destroyed in the storm of \$113,369. The School had to be closed, but eventually reopened in a new location. However, enrollment was down significantly. At this time, the effects of the hurricane on the school and its future revenues cannot be determined.

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE MANAGEMENT OF INTERNATIONAL SCHOOL OF LOUISIANA**

To the Board of Trustees
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 and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of International School of Louisiana, 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. This agreed-upon procedures engagement was performed in accordance with standards established by the *American Institute of Certified Public Accountants and Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information are as follows:

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

1. We haphazardly selected a sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

Findings:

During our test of transactions, there were five invoices that could not be located due to several changes in location as a result of Hurricane Katrina. Through discussions with the management of the School we were able to determine that the disbursements were properly coded and were reasonable.

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Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-Time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to School supporting payroll records as of October 1.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-Time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced each of the teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

Findings:

None

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings:

None

Experience of Public Principals and Full-Time Classroom Teachers (Schedule 4)

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

Findings:

None

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalent, as reported on the schedule and traced each to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Findings:

None

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

Findings:

None

Class Size Characteristics (Schedule 6)

9. Not Applicable. Due to effects of Hurricane Katrina, classes did not resume until October 31, 2005.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by International School of Louisiana.

Findings:

None

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. Not applicable.

The ILEAP Tests (Schedule 9)

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

Findings:

None

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the International School of Louisiana, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

January 19, 2007

INTERNATIONAL SCHOOL OF LOUISIANA
Schedules Required by State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2006

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

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

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals and Full-Time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule is not applicable. Due to the effects of Hurricane Katrina, the school did not resume classes until October 30, 2005.

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores for grade 4 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule only includes two years of data because 2005 was the first year that the fourth grade was offered.

Schedule 8 - The Graduation Exit Exam for the 21st Century

Not applicable.

Schedule 9 - The ILEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3 and 5. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. Grades 6,7 and 9 are not applicable because those grades are not offered as yet.

INTERNATIONAL SCHOOL OF LOUISIANA
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2006

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 561,783	
Other Instructional Staff Activities		
Employee Benefits	164,946	
Purchased Professional and Technical Services	7,590	
Instructional Materials and Supplies	57,775	
Instructional Equipment	<u>1,264</u>	

Total Teacher and Student Interaction Activities \$ 793,358

Other Instructional Activities -

Pupil Support Activities	7,394	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		7,394

Instructional Staff Services	84,124	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		<u>84,124</u>

Total General Fund Instructional Expenditures \$ 884,876

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	<u>-</u>

Total Local Taxation Revenue \$ -

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	-
Earnings from Other Real Property	<u>\$ -</u>

Total Local Earnings on Investment in Real Property \$ -

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	<u>-</u>

Total State Revenue in Lieu of Taxes \$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

INTERNATIONAL SCHOOL OF LOUISIANA
Education Levels of Public School Staff
As of October 1, 2005

Category	Full-Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	8	95.00 %	2	100.00 %			1	100.00 %
Master's Degree	1	5.00 %						
Master's Degree + 30 Specialist in Education Ph. D. or Ed. D.					1	100.00		
Total	9	100.00 %	2	100.00	1	100.00 %	1	100.00 %

Schedule 3

INTERNATIONAL SCHOOL OF LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2006

Type	Number
Elementary	1
Middle/Jr. High	0
Secondary	0
Combination	<u>0</u>
Total	<u>1</u>

INTERNATIONAL SCHOOL OF LOUISIANA
Experience of Public Principals and Full-Time Classroom Teachers
As of October 1, 2005

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	0	0	0	1	1
Principals	0	0	0	1	0	0	0	1
Classroom Teachers	1	2	5	0	0	2	1	11
Total	1	2	5	1	0	2	2	13

INTERNATIONAL SCHOOL OF LOUISIANA
Public School Staff Data
For the Year Ended June 30, 2006

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	27,209	27,209
Average Classroom Teachers' Salary Excluding Extra Compensation	25,938	25,938
Number of Teacher Full-Time Equivalents (FTEs) Used in Computation of Average Salaries	16.85	16.85

INTERNATIONAL SCHOOL OF LOUISIANA
Class Size Characteristics
As of October 1, 2005

Due to the effects of Hurricane Katrina, the School did not resume classes until October 30, 2005.

INTERNATIONAL SCHOOL OF LOUISIANA
Louisiana Educational Assessment Program (LEAP)
For the 21ST Century
For the Year Ended June 30, 2006

District Achievement Level Results	English Language Arts			Mathematics		
	2006	2005	2004	2006	2005	2004
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	13%	14%	N/A	9%	3%	N/A
Mastery	13%	24%	N/A	9%	14%	N/A
Basic	52%	43%	N/A	52%	43%	N/A
Approaching Basic	9%	16%	N/A	17%	24%	N/A
Unsatisfactory	13%	3%	N/A	13%	16%	N/A
Total	100%	100%	N/A	100%	100%	N/A

INTERNATIONAL SCHOOL OF LOUISIANA
The Graduation Exit Exam for the 21ST Century
For the Year Ended June 30, 2006

The International School of Louisiana is an elementary school; therefore, this schedule does not apply.

INTERNATIONAL SCHOOL OF LOUISIANA
The ILEAP Test
For the Year Ended June 30, 2006

	Composite
	2006
Test of Basic Skills (ITBS)	
Grade 3	59
Grade 5	75
Grade 6	N/A
Grade 7	N/A
Tests of Educational Development (ITED)	
Grade 9	N/A

SUPPLEMENTAL INFORMATION

INTERNATIONAL SCHOOL OF LOUISIANA
Schedule of Board of Trustees
June 30, 2006

BOARD MEMBERS	COMPENSATION
Tonya Morrow 6631 Colbert St. New Orleans, LA 70124	\$-0-
Wayne Troyer 1519 Camp Place New Orleans, LA 70130	-0-
Carolyn Chandler 350 Park Road Metairie, LA 70005	-0-
Enrico Sterling 2530 Illinois Ave., Apt. D Kenner, LA	-0-
Valerie Marshall 1132 Jena St. New Orleans, LA	-0-
Gina Warner 111 South Drive Covington, LA 70433	-0-
Grant Ligon 2812 DeSoto St. New Orleans, LA 70119	-0-
Karen Dwyer 608 Clearview Pkwy. Metairie, LA 70001	-0-
Monica Ramsey 365 Canal St., Suite 2670 New Orleans, LA 70130	-0-

INTERNATIONAL SCHOOL OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Period Ended June 30, 2006

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Total Grant Award	Expenditures
United States Department of Education (Passed through the Louisiana Department of Education) Hurricane Relief - Major Program	84.938C	254,030	<u>\$ 707,619</u>
			<u>707,619</u>
			<u>\$ 707,619</u>

The accrual basis of accounting is used for reporting purposes.



**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
International School of Louisiana
New Orleans, Louisiana

We have audited the financial statements of International School of Louisiana (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated January 19, 2007. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered International School of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether International School of Louisiana'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*.

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This report is intended solely for the information and use of management, the Board of Trustees, the Louisiana Legislative Auditor and the Louisiana Department of Education, and is not intended to be, and should not be, used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, likely representing the firm's name.

A Professional Accounting Corporation

January 19, 2007



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of International School of Louisiana (a non-profit entity) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the period ended June 30, 2006. International School of Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of International School of Louisiana's management. Our responsibility is to express an opinion on International School of Louisiana's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 International School of Louisiana'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. Our audit does not provide a legal determination of International School of Louisiana's compliance with those requirements.

In our opinion, International School of Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the period ended June 30, 2006.

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Internal Control Over Compliance

The management of International School of Louisiana is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered International School of Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

January 19, 2007

INTERNATIONAL SCHOOL OF LOUISIANA
Schedule of Findings and Questioned Costs
June 30, 2006

Section 1

Financial Statements

- | | | |
|----|---|-------------|
| 1. | Type of auditor's report | Unqualified |
| 2. | Internal control over financial reporting | |
| a. | Material weaknesses identified | None |
| b. | Reportable conditions identified not considered to be material weaknesses | Yes |
| c. | Noncompliance material to the financial statements noted | None |

Federal Awards

- | | | |
|----|---|---------------------------------------|
| 1. | Internal control over major programs | |
| a. | Material weaknesses identified | None |
| b. | Reportable conditions identified not considered to be material weaknesses | None |
| 2. | Type of auditor's report issued on compliance for major program | Unqualified |
| 3. | Audit findings disclosed that are required in accordance with OMB A-133, Section 510a | None |
| 4. | A management letter was issued. | No |
| 5. | Identification of major program
84.938C | Hurricane Relief - Displaced Students |
| 6. | Dollar threshold used to distinguish between Type A and B programs | \$300,000 |
| 7. | Auditee qualified as a low-risk auditee under OMB A-133 Section 530 | No |

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Awards Findings and Questioned Costs

None