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**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163  
One Galleria Blvd., Suite 2100 – Metairie, LA 70001  
504-837-5990 Phone – 504-834-3609 Fax – [pncpa.com](http://pncpa.com)

*A Professional Accounting Corporation*

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Lycée Français de la Nouvelle-Orléans  
New Orleans, Louisiana

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Lycée Français de la Nouvelle-Orléans, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lycée Français de la Nouvelle-Orléans as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Lycée Français de la Nouvelle-Orléans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Correction of an error**

As discussed in Note 15 to the consolidated financial statements, certain errors resulting in understatement of amounts previously reported for accrued leave as of June 30, 2021, were discovered by management of Lycée Français de la Nouvelle-Orléans during the current year. Accordingly, amounts reported for accrued leave and accrued leave expense have been restated in the 2021 consolidated financial statements now presented, and an adjustment has been made to net assets without donor restriction as of June 30, 2021, to correct the error. Our opinion is not modified with respect to that matter.

#### **Responsibilities of Management for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lycée Français de la Nouvelle-Orléans ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

### Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information included on pages 20 – 23 and the accompanying schedules of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including



comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information on pages 20-23 and the schedule of federal awards is fairly stated, in all material respects, in relation to the consolidated 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 1, 2022, on our consideration of Lycée’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lycée’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Lycée’s internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Metairie, Louisiana  
December 1, 2022

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

**ASSETS**

	2022	Restated 2021
<b><u>CURRENT ASSETS</u></b>		
Cash	\$ 4,534,917	\$ 7,656,781
Accounts receivable	995	-
Grants receivable - due from private foundations	25,636	-
Grants receivable - due from government agencies	364,941	485,852
Prepaid expenses	66,408	-
Promises to give for short-term purposes, net	80,514	62,950
Total current assets	5,073,411	8,205,583
<b><u>NONCURRENT ASSETS</u></b>		
Promises to give for long-term purposes, net	39,379	84,201
Cash restricted for long-term purposes	44,743	-
Property and equipment, net	19,071,344	9,397,858
Total noncurrent assets	19,155,466	9,482,059
Total assets	\$ 24,228,877	\$ 17,687,642

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses	\$ 3,418,552	\$ 3,528,947
Notes payable	88,172	-
Line of credit	3,138,587	-
Paycheck Protection Program loan	-	1,611,300
Total current liabilities	6,645,311	5,140,247
<b><u>NONCURRENT LIABILITIES</u></b>		
Notes payable	8,769,498	4,096,002
Total noncurrent liabilities	8,769,498	4,096,002
Total liabilities	15,414,809	9,236,249
<b><u>NET ASSETS</u></b>		
Without donor restrictions	7,919,840	7,615,217
With donor restrictions	894,228	836,176
Total net assets	8,814,068	8,451,393
Total liabilities and net assets	\$ 24,228,877	\$ 17,687,642

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



**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>			Restated <b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues and support:</b>						
Federal grants	\$ 2,013,047	\$ -	\$ 2,013,047	\$ 1,258,562	\$ -	\$ 1,258,562
State grants	12,191,152	-	12,191,152	11,818,024	-	11,818,024
Tuition and activity income	210,945	-	210,945	141,473	-	141,473
Contributions	347,817	73,335	421,152	289,408	37,242	326,650
Payroll Protection Program loan forgiveness	1,611,300	-	1,611,300	-	-	-
Other income	99,444	-	99,444	224,600	-	224,600
Net assets released from restrictions	15,283	(15,283)	-	232,392	(232,392)	-
<b>Total revenues and support</b>	<b>16,488,988</b>	<b>58,052</b>	<b>16,547,040</b>	<b>13,964,459</b>	<b>(195,150)</b>	<b>13,769,309</b>
<b>Expenses:</b>						
Program services:						
Elementary and kindergarten	4,920,137	-	4,920,137	5,008,734	-	5,008,734
Prekindergarten	427,998	-	427,998	482,512	-	482,512
Highschool	451,671	-	451,671	-	-	-
Special education	1,373,692	-	1,373,692	1,394,522	-	1,394,522
Operations and maintenance	911,612	-	911,612	723,570	-	723,570
Extracurricular activities	4,449	-	4,449	-	-	-
Aftercare	238,967	-	238,967	107,278	-	107,278
Student services	2,472,069	-	2,472,069	1,677,890	-	1,677,890
Other program services	350,960	-	350,960	72,392	-	72,392
<b>Total program services</b>	<b>11,151,555</b>	<b>-</b>	<b>11,151,555</b>	<b>9,466,898</b>	<b>-</b>	<b>9,466,898</b>
Support services	5,032,810	-	5,032,810	2,989,352	-	2,989,352
<b>Total expenses</b>	<b>16,184,365</b>	<b>-</b>	<b>16,184,365</b>	<b>12,456,250</b>	<b>-</b>	<b>12,456,250</b>
Capital contributions	-	-	-	462,089	-	462,089
Change in net assets	304,623	58,052	362,675	1,970,298	(195,150)	1,775,148
<b><u>NET ASSETS AT BEGINNING OF YEAR,</u></b>						
<b><u>RESTATED</u></b>	<b>7,615,217</b>	<b>836,176</b>	<b>8,451,393</b>	<b>5,644,919</b>	<b>1,031,326</b>	<b>6,676,245</b>
<b><u>NET ASSETS AT END OF YEAR</u></b>	<b>\$ 7,919,840</b>	<b>\$ 894,228</b>	<b>\$ 8,814,068</b>	<b>\$ 7,615,217</b>	<b>\$ 836,176</b>	<b>\$ 8,451,393</b>

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

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			
		Supporting Services		
	Program	Management and General	Fundraising	Total
Salaries	\$ 7,413,756	\$ 1,601,366	\$ 97,716	\$ 9,112,838
Employee benefits	1,098,211	547,746	16,612	1,662,569
Materials and supplies	1,400,446	233,170	-	1,633,616
Occupancy	911,612	892,098	19,551	1,823,261
Professional and technical services	300,509	800,049	20,402	1,120,960
Miscellaneous	27,021	788,818	15,282	831,121
Total expenses	\$ 11,151,555	\$ 4,863,247	\$ 169,563	\$ 16,184,365

(continued)

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

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	Restated 2021			
	Supporting Services			
	Program	Management and General	Fundraising	Total
Salaries	\$ 6,548,935	\$ 1,491,377	\$ 50,219	\$ 8,090,531
Employee benefits	945,454	308,845	8,537	1,262,836
Materials and supplies	1,014,241	148,716	618	1,163,575
Occupancy	731,905	166,675	5,612	904,192
Professional and technical services	167,527	265,346	315	433,188
Miscellaneous	58,836	484,700	58,392	601,928
Total expenses	\$ 9,466,898	\$ 2,865,659	\$ 123,693	\$ 12,456,250

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

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>Restated 2021</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ 362,675	\$ 1,775,148
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	347,135	154,880
(Recovery of) bad debt expense	15,283	(58,680)
Forgiveness of PPP	(1,611,300)	-
Changes in operating assets and liabilities:		
Accounts receivable	(995)	-
Grants receivable	95,275	(117,512)
Prepaid expenses	(66,408)	4,487
Accounts payable and accrued expenses	(110,395)	(100,673)
Deferred revenue	-	(52,285)
Net cash (used in) provided by operating activities	<u>(968,730)</u>	<u>1,605,365</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchases of property and equipment	<u>(10,020,621)</u>	<u>(5,181,472)</u>
Net cash used in investing activities	<u>(10,020,621)</u>	<u>(5,181,472)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Promises to give for long-term purposes	11,975	116,454
Payments on notes payable	(56,703)	-
Proceeds from notes payable	7,956,958	4,096,002
Net cash provided by financing activities	<u>7,912,230</u>	<u>4,212,456</u>
Net change in cash	(3,077,121)	636,349
Cash, beginning of year	<u>7,656,781</u>	<u>7,020,432</u>
Cash, end of year	<u>\$ 4,579,660</u>	<u>\$ 7,656,781</u>
<b><u>RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION</u></b>		
Cash	\$ 4,534,917	\$ 7,656,781
Cash restricted for long-term purposes	44,743	-
Total cash and restricted cash	<u>\$ 4,579,660</u>	<u>\$ 7,656,781</u>
<b><u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u></b>		
Capital contribution from third party	<u>\$ -</u>	<u>\$ 462,089</u>
Net capitalized interest in construction in progress	<u>\$ -</u>	<u>\$ 8,469</u>
Noncash investing transaction:		
Change in accounts payable related to property and equipment	<u>\$ -</u>	<u>\$ 2,340,030</u>

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

# LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### Organization

Lycée Français de la Nouvelle-Orléans (Lycée or LFNO) was incorporated as an educational institution organized to create a premier academic and multicultural school environment to inspire its students to reach their full potential. Lycée commenced operations with the 2011-2012 school year. At June 30, 2022, Lycée offers classes in Pre-K4 through eleventh grade organized per the French education model.

The Board of Elementary and Secondary Education (BESE) approved the granting of a charter to Lycée effective June 30, 2011 for an initial period ending on June 30, 2016, to operate a Type 2 Charter School, as defined in LA R.S. 17:3998(A)(2). This charter was renewed on July 1, 2016 for seven years ending on June 30, 2023.

During the year ended June 30, 2018, Amis du Lycée Français (Amis du Lycée) was incorporated as a supporting foundation organized to assist Lycée with fundraising.

During the year ended June 30, 2020, 1601 Leonidas LLC (1601 Leonidas) was formed to assist Lycée with the rehabilitation and development of a historic building located at 1601 Leonidas Street, New Orleans, Louisiana. The building will be used as a school building upon completion. Lycée was the original member of 160 Leonidas and held 100% of the membership interest. On July 1, 2020 pursuant to the Contribution Agreement, Lycée transferred its original membership interests and prior contributions to 1601 Leonidas Managing Member Inc., (1601 Managing Member) and the managing member became a member of 1601 Leonidas.

The consolidated financial statements include the accounts of Lycée, Amis du Lycée, and 1601 Leonidas (collectively, the Organization) because Lycée has a controlling financial interest in Amis du Lycée and through an operating lease agreement with 1601 Leonidas, a special-purpose entity lessor. All significant intercompany balances and transactions have been eliminated in consolidation.

#### Basis of Accounting and Presentation of Net Assets

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

US GAAP requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies (continued)**

Basis of Accounting and Presentation of Net Assets (continued)

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Recently Adopted Accounting Standards

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Organization's fiscal year ending June 30, 2022.

Accounting Pronouncements Issued but Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842), Targeted Improvements*, to simplify the lease standard's implementation. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Organization's fiscal year ending June 30, 2023.

The Organization is currently assessing the impact of this pronouncement on its consolidated financial statements.

Cash

Cash includes amounts on deposit at local financial institutions. The Organization held no cash equivalents as of June 30, 2022 and 2021. Restricted cash represents amounts held by the Organization for legally imposed debt restrictions.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies (continued)**

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2022 and 2021, management did not deem any grants receivable to be uncollectable; therefore, no allowance was recorded.

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets or decreases of liabilities depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. For the year ended June 30, 2022 and 2021, the Organization recorded \$15,283 and \$5,400 of bad debt expense and \$0 and \$64,080 of recovery of bad debt, respectively. The net amounts are included in miscellaneous expense by nature and management and general by function on the consolidated statement of functional expenses. At June 30, 2022 and 2021, management has established an allowance of \$45,776 and \$30,493, respectively, for estimated uncollectable promises to give.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000 and expenditures for repairs and improvements that materially prolong the useful lives of assets capitalized. Property is recorded at historical cost or, if donated, at the approximate fair value at the date of donation. Depreciation of these assets is provided on the straight-line basis over their estimated useful lives of 5 years for technology, 5-7 years for leasehold improvements, 7-10 years for furniture and equipment and 30 years for building. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

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

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies (continued)**

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met.

Revenues from federal and state grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has met the performance requirements and/or incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. Lycée recognized as revenue all funds related to these grants during the year ended June 30, 2022 and 2021.

Tuition and activity income includes school year tuition for Pre-K4, summer camp tuition, and fees related to afterschool care services. Tuition and activity income received in the current academic year that are applicable to the following academic year are deferred and amortized in the following academic year over a set timeframe.

Contributed Services

Lycée receives services donated by parents and community members in carrying out Lycée's mission; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by US GAAP.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the disclosures and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the instructional and supporting services benefited. The majority of costs incurred are charged directly to the function that benefits from the expense. Key expense categories that are allocated include salaries and benefits as well as occupancy. Salaries and benefits are allocated based on time and effort. Occupancy is allocated based on use of space.



**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

Tax Exempt Status

Lycée and Amis du Lycée are nonprofit organizations exempt from income taxes under provisions of the Internal Revenue Service Code Sections 501(c)(3) and the Louisiana Revised Statutes; therefore, no provision has been made for federal and state income taxes. 1601 Leonidas LLC is incorporated as a low profit limited liability company subject to Internal Revenue Service Code Section 170(c)(2)(b) and Louisiana Act 417 of 2010.

Lycée applies a “more-likely-than-not” recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% percent likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, Lycée has reviewed its tax positions and determined there were no outstanding or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities.

**2. Liquidity and Availability**

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments.

The Organization receives the majority of its revenue from the State of Louisiana Minimum Foundation Program Funding (MFP) and from various federal grants passed through the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments.

The Organization manages its available cash to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance for 60 days of operating expenses.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**2. Liquidity and Availability (continued)**

The following represents the Organization's financial assets and those available to meet general expenditures within twelve months at June 30.

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash	\$ 4,579,660	\$ 7,656,781
Accounts receivable	995	-
Grants receivable - due from private foundations	25,636	-
Grants receivable - due from government agencies	364,941	485,852
Promises to give current, net	<u>80,514</u>	<u>62,950</u>
Total financial assets	5,051,746	8,205,583
Less amounts not available to be within one year for general expenditures		
Restricted cash	44,743	-
Net assets with donor restrictions	<u>894,228</u>	<u>836,176</u>
	<u>938,971</u>	<u>836,176</u>
Financial assets available for general expenditures within one year	<u>\$ 4,112,775</u>	<u>\$ 7,369,407</u>

**3. Property and Equipment**

Property and equipment is summarized as follows at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 360,000	\$ 360,000
Building and improvements	66,009	66,009
Leasehold improvements	19,149,297	397,873
Furniture, fixtures, and equipment	608,800	544,930
Construction-in-progress	<u>-</u>	<u>8,794,674</u>
	20,184,106	10,163,486
Less accumulated depreciation	<u>(1,112,762)</u>	<u>(765,628)</u>
Property and equipment, net	<u>\$ 19,071,344</u>	<u>\$ 9,397,858</u>

During the year ended June 30, 2022, the building was completed and put into service in January 2022. See Note 9.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**4. Promises to Give**

Unconditional promises to give are estimated to be collected as follows at June 30:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 114,697	\$ 95,506
In one to five years	<u>50,972</u>	<u>82,138</u>
	165,669	177,644
Less allowance for uncollectable promises to give	<u>(45,776)</u>	<u>(30,493)</u>
	<u>\$ 119,893</u>	<u>\$ 147,151</u>

**5. Net Assets with Donor Restrictions**

Net assets with donor restrictions are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Priestley campus development - time and purpose restrictions	\$ 567,318	\$ 531,176
Library - time and purpose restrictions	18,000	-
General programs - time and purpose restrictions	3,910	-
High school start-up and growth - time and purpose restrictions	<u>305,000</u>	<u>305,000</u>
	<u>\$ 894,228</u>	<u>\$ 836,176</u>

**6. Operating Leases**

At June 30, 2022, Lycée had several lease agreements in place for the school facilities used. Lycée currently leases facilities at its Patton Street and Eleonore Street campuses. The remaining lease terms range from one to six years and have maturities ranging from 2022 to 2027. All leases in effect as of June 30, 2022, have renewal options. The fixed minimum amount for the Patton Street lease will increase at 5% annually.

Future minimum lease payments under operating leases as of June 30, 2022 are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 352,032
2023	331,833
2024	348,425
2025	365,846
2026	384,138
Thereafter	403,345

Rent expense for all operating leases for the years ended June 30, 2022 and 2021 was \$404,947 and \$354,504, respectively.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**6. Operating Leases (continued)**

On July 1, 2018, Lycée entered into a lease agreement with the Orleans Parish School Board (OPSB) for the use of facilities and its contents at its Johnson location. The lease expired on June 30, 2021, and was renewed through June 30, 2023. Lycée 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. The land and building is not owned by Lycée and, therefore, is not included in property and equipment.

On July 1, 2020, Lycée entered into a lease agreement with OPSB for the use of facilities and its contents at its McNair location. The lease expired on June 30, 2021, and was renewed through June 30, 2023. Lycée 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. The land and building is not owned by Lycée and, therefore, is not included in property and equipment.

**7. State Tax Credit for Qualified Rehabilitation of Historic Structure**

During the year ended June 30, 2021, the Organization entered into an historic tax credit purchase agreement with Enhanced Capital Consulting, Inc. (Enhanced Capital) to fund the construction of a new campus located at 1601 Leonidas Street, New Orleans, Louisiana (the Project). The Organization has incurred qualified rehabilitation expenses of approximately \$14.4 million on construction of the new campus. Under LA R.S. 47:6019, the Organization is eligible to receive twenty percent (20%) of total eligible rehabilitation expenditures through the Louisiana Department of Revenue (LDR), upon confirmation of the certified amount of the tax credit by the LDR. Pursuant to an agreement between Enhanced Capital and the Organization, the Organization will sell Enhanced Capital 100% of the tax credits generated. Construction was completed in December 2021 and the final certifications were submitted to the LDR in October 2022 for confirmation of the amount of tax credits earned.

**8. Notes Payable**

During the year ended June 30, 2021, the Organization entered into a \$3,138,856 non-revolving line of credit loan agreement with a financial institution to finance the construction, rehabilitation, and development of the new campus described in Note 7. The loan has an annual interest rate of 1.25% over the prime rate as published in the Wall Street Journal and is secured by substantially all assets of the Organization. Accrued interest shall be due and payable in monthly installments beginning September 1, 2020, until maturity on which date any unpaid accrued interest shall be due and payable in full. Principal shall be due and payable in a single payment on July 31, 2022. Subsequent to year end, the maturity was extended to December 31, 2022. At June 30, 2022 and 2021, the balance on the loan was \$3,138,587 and \$1,228,801, respectively.

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**8. Notes Payable (continued)**

During the year ended June 30, 2021, the Organization entered into a \$9,475,970 promissory note with a third party lender to finance the construction, rehabilitation, and development of the new campus described in Note 7. The loan has an interest rate of 0% from the date of the loan until September 30, 2021, 1% for the following year and will increase 1% per annum to a maximum of 5%. Until the full enrollment date, the loan is amortized at one-twelfth of 1% of the outstanding principal balance as of September 30, 2021 (the operational date) and, on and after the full enrollment date, one-twelfth of 2% of the principal balance. Full enrollment is defined as the first date the school achieves enrollment equal to 100% of capacity permitted by the agreement with the authorizer which at this time is the Board of Elementary and Secondary Education of the State of Louisiana. The loan is secured by all property, rights, interests and privileges subject to the liens granted the lender, or any security trustee of 1601 Leonidas LLC; including the construction documents (General Contractor and Architect) during the construction of the property. The loan matures on the first day of the month following the date that is sixty-one months after the date on which the Project is placed in service. The Project was placed in service in December 2021. At June 30, 2022, the balance on the promissory note was \$8,857,670 and accrued interest was \$7,388.

**9. Related Party Lease Commitment**

Lycée entered into an operating lease agreement with 1601 Leonidas, a related party, on July 21, 2020, for use of the historic building located at 1601 Leonida Street. The lease payments began in December 2021 and terminates 10 years after the commencement date. Future minimum lease payments receivable under these leases are as follows:

2023	\$	461,250
2024		636,246
2025		787,086
2026		845,046
2027		861,948
Thereafter		<u>3,859,227</u>
Total	\$	<u>7,450,803</u>

Rental income was approximately \$280,000 for the year ended June 30, 2022. All amounts are eliminated in consolidation.

**10. Defined Contribution Retirement Plan**

Lycée has a defined contribution plan (the Plan) that was adopted on July 20, 2011. The Plan covers all employees of Lycée who are twenty-one years of age or older and who have completed one year of continuous service with 1,000 hours. Under the terms of the Plan, Lycée matches 100% of the first 5% of eligible compensation. For the years ended June 30, 2022 and 2021, Lycée made employer matching contributions to the Plan of \$311,133 and \$253,909, respectively and is included in program services on the consolidated statements of activities.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**11. Credit Risk Concentration**

The Organization deposits its cash with financial institutions in the greater New Orleans area. As of June 30, 2022 and 2021, all cash accounts at each financial institution are insured up to \$250,000 by the Federal Deposit Insurance Corporation. From time to time the amounts on deposit may exceed the federally insured limits. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

**12. Contingencies – Grant Programs**

Lycée participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Lycée has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable as of June 30, 2022 and 2021 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and Lycée.

**13. Economic Dependency**

Lycée receives the majority of its revenue from MFP and from various federal grants passed through the Orleans Parish School Board. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds Lycée receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds Lycée will receive relating to its grant awards.

**14. Paycheck Protection Program**

During the year ended June 30, 2021, the Lycée applied for and was approved for a \$1,611,300 loan under the Paycheck Protection Program administered by the Small Business Administration as part of the relief efforts related to COVID-19. The loan was included within current liabilities on the consolidated statements of financial position as of June 30, 2021. Lycée was granted full forgiveness of the loan in December 2021 and the entire proceeds of the loan amount was recognized as revenue without donor restriction for the year ended June 30, 2022.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**15. Restatement – Correction of an Error**

During the year ended June 30, 2022, management discovered that the accrued leave balance owed to employees in the amount of \$219,026 had not been properly accrued in the prior year. The accrued leave balance as June 30, 2020 was \$348,652. Accordingly, an adjustment of \$129,626 was made to decrease the 2021 accrued leave expense in the consolidated statements of activities, which increased profits for the year ended June 30, 2021.

See the summary of changes in net assets as a result of the restatements as discussed above:

	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Net assets, as previously reported	\$ 7,024,897	\$ 8,670,419
Correction of an error	<u>(348,652)</u>	<u>219,026</u>
Net assets at beginning of year, restated	<u>\$ 6,676,245</u>	<u>\$ 8,451,393</u>
Change in net assets, as previously reported		\$ 1,645,522
Correction of an error		<u>129,626</u>
Change in net assets, (as restated)		<u>\$ 1,775,148</u>

**16. Subsequent Events**

Management has evaluated subsequent events through December 1, 2022, the date that the financial statements were available to be issued, and determined that no additional disclosures are necessary. No events occurring after this date have been considered for inclusion in these financial statements.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**

**ASSETS**

	Lycée Français de la Nouvelle-Orléans	Amis du Lycée Français	1601 Leonidas, LLC	Eliminations	Consolidated Total
<b><u>CURRENT ASSETS</u></b>					
Cash	\$ 4,377,783	\$ 143,736	\$ 13,398	\$ -	\$ 4,534,917
Accounts receivable	995	-	-	-	995
Grants receivable - due from private foundations	25,636	-	-	-	25,636
Grants receivable - due from government agencies	364,941	-	-	-	364,941
Prepaid expenses	66,408	-	-	-	66,408
Promises to give for short-term purposes, net	-	80,514	-	-	80,514
Due from related parties	790,476	250,570	307,099	(1,348,145)	-
Total current assets	<u>5,626,239</u>	<u>474,820</u>	<u>320,497</u>	<u>(1,348,145)</u>	<u>5,073,411</u>
<b><u>NONCURRENT ASSETS</u></b>					
Promises to give for long-term purposes, net	-	39,379	-	-	39,379
Cash restricted for long-term purposes	-	-	44,743	-	44,743
Property and equipment, net	200,404	-	18,870,940	-	19,071,344
Investment in 1601 Leonidas, LLC	5,067,641	-	-	(5,067,641)	-
Total noncurrent assets	<u>5,268,045</u>	<u>39,379</u>	<u>18,915,683</u>	<u>(5,067,641)</u>	<u>19,155,466</u>
Total assets	<u>\$ 10,894,284</u>	<u>\$ 514,199</u>	<u>\$ 19,236,180</u>	<u>\$ (6,415,786)</u>	<u>\$ 24,228,877</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b><u>CURRENT LIABILITIES</u></b>					
Accounts payable and accrued expenses	\$ 2,393,474	\$ 6,384	1,018,694	\$ -	\$ 3,418,552
Due to related parties	564,791	-	783,354	(1,348,145)	-
Notes payable, current portion	-	-	88,172	-	88,172
Line of Credit, current portion	-	-	3,138,587	-	3,138,587
Paycheck Protection Program loan	-	-	-	-	-
Total current liabilities	<u>2,958,265</u>	<u>6,384</u>	<u>5,028,807</u>	<u>(1,348,145)</u>	<u>6,645,311</u>
<b><u>NONCURRENT LIABILITIES</u></b>					
Notes payable	-	-	8,769,498	-	8,769,498
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>8,769,498</u>	<u>-</u>	<u>8,769,498</u>
Total liabilities	<u>2,958,265</u>	<u>6,384</u>	<u>13,798,305</u>	<u>(1,348,145)</u>	<u>15,414,809</u>
<b><u>NET ASSETS</u></b>					
Without donor restrictions (deficit)	7,631,019	(81,413)	5,437,875	(5,067,641)	7,919,840
With donor restrictions	305,000	589,228	-	-	894,228
Total net assets	<u>7,936,019</u>	<u>507,815</u>	<u>5,437,875</u>	<u>(5,067,641)</u>	<u>8,814,068</u>
Total liabilities and net assets	<u>\$ 10,894,284</u>	<u>\$ 514,199</u>	<u>\$ 19,236,180</u>	<u>\$ (6,415,786)</u>	<u>\$ 24,228,877</u>

See accompanying independent auditors' report.



**LYCÉE FRANCAIS DE LA NOUVELLE-ORLÉANS**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

	<u>Lycée Français de la Nouvelle-Orléans</u>			<u>Amis du Lycée Français</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and support:</b>						
Federal grants	\$ 2,013,047	\$ -	\$ 2,013,047	\$ -	\$ -	\$ -
State grants	12,191,152	-	12,191,152	-	-	-
Tuition and activity income	210,945	-	210,945	-	-	-
Contributions	264,831	-	264,831	82,986	73,335	156,321
Payroll Protection Program loan forgiveness	1,611,300	-	1,611,300	-	-	-
Other income	97,416	-	97,416	2,028	-	2,028
Net assets released from restrictions	-	-	-	15,283	(15,283)	-
	<u>16,388,691</u>	<u>-</u>	<u>16,388,691</u>	<u>100,297</u>	<u>58,052</u>	<u>158,349</u>
Total revenues and support						
<b>Expenses:</b>						
Program services:						
Elementary and kindergarten	4,920,137	-	4,920,137	-	-	-
Prekindergarten	427,998	-	427,998	-	-	-
High school	451,671	-	451,671	-	-	-
Special education	1,373,692	-	1,373,692	-	-	-
Operations and maintenance	1,191,614	-	1,191,614	-	-	-
Extracurricular activities	4,449	-	4,449	-	-	-
Aftercare	238,967	-	238,967	-	-	-
Student services	2,472,069	-	2,472,069	-	-	-
Other program services	350,960	-	350,960	-	-	-
Total program services	<u>11,431,557</u>	<u>-</u>	<u>11,431,557</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services	4,494,843	-	4,494,843	167,296	-	167,296
	<u>15,926,400</u>	<u>-</u>	<u>15,926,400</u>	<u>167,296</u>	<u>-</u>	<u>167,296</u>
Total expenses						
Capital contributions	-	-	-	-	-	-
Change in net assets	462,291	-	462,291	(66,999)	58,052	(8,947)
<b><u>NET ASSETS AT BEGINNING OF YEAR, Restated</u></b>	<u>7,168,728</u>	<u>305,000</u>	<u>7,473,728</u>	<u>(14,414)</u>	<u>531,176</u>	<u>516,762</u>
<b><u>NET ASSETS AT END OF YEAR</u></b>	<u>\$ 7,631,019</u>	<u>\$ 305,000</u>	<u>\$ 7,936,019</u>	<u>\$ (81,413)</u>	<u>\$ 589,228</u>	<u>\$ 507,815</u>

(continued)

See accompanying independent auditors' report.

**LYCÉE FRANCAIS DE LA NOUVELLE-ORLÉANS**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

	<b>1601 Leonidas, LLC</b>		<b>Total</b>	<b>Eliminations</b>	<b>Consolidated Total</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>			
<b>Revenues and support:</b>					
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ 2,013,047
State grants	-	-	-	-	12,191,152
Tuition and activity income	-	-	-	-	210,945
Contributions	-	-	-	-	421,152
Payroll Protection Program loan forgiveness	-	-	-	-	1,611,300
Other income	280,002	-	280,002	(280,002)	99,444
Net assets released from restrictions	-	-	-	-	-
	<u>280,002</u>	<u>-</u>	<u>280,002</u>	<u>(280,002)</u>	<u>16,547,040</u>
<b>Total revenues and other support</b>					
	<u>280,002</u>	<u>-</u>	<u>280,002</u>	<u>(280,002)</u>	<u>16,547,040</u>
<b>Expenses:</b>					
Program services:					
Elementary and kindergarten	-	-	-	-	4,920,137
Prekindergarten	-	-	-	-	427,998
High school	-	-	-	-	451,671
Special education	-	-	-	-	1,373,692
Operations and maintenance	-	-	-	(280,002)	911,612
Extracurricular activities	-	-	-	-	4,449
Aftercare	-	-	-	-	238,967
Student services	-	-	-	-	2,472,069
Other program services	-	-	-	-	350,960
Total program services	<u>-</u>	<u>-</u>	<u>-</u>	<u>(280,002)</u>	<u>11,151,555</u>
Support services	370,671	-	370,671	-	5,032,810
	<u>370,671</u>	<u>-</u>	<u>370,671</u>	<u>(280,002)</u>	<u>16,184,365</u>
<b>Total expenses</b>					
	<u>370,671</u>	<u>-</u>	<u>370,671</u>	<u>(280,002)</u>	<u>16,184,365</u>
Capital contributions	2,381,199	-	2,381,199	(2,381,199)	-
Change in net assets	2,290,530	-	2,290,530	(2,381,199)	362,675
<b>NET ASSETS AT BEGINNING OF YEAR, restatd</b>	<u>3,147,345</u>	<u>-</u>	<u>3,147,345</u>	<u>(2,686,442)</u>	<u>8,451,393</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 5,437,875</u>	<u>\$ -</u>	<u>\$ 5,437,875</u>	<u>\$ (5,067,641)</u>	<u>\$ 8,814,068</u>

(concluded)

See accompanying independent auditors' report.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**SCHEDULE OF COMPENSATION, BENEFITS,**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Agency Head Name: Danielle Dufauchard, Interim CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 173,875
Benefits - retirement	12,353
Benefits - insurance	5,099
Life insurance/disability	558
	<u>\$ 191,885</u>

See accompanying independent auditors' report.



30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163  
One Galleria Blvd., Suite 2100 – Metairie, LA 70001  
504-837-5990 Phone – 504-834-3609 Fax – [pncpa.com](http://pncpa.com)

*A Professional Accounting Corporation*

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

To the Board of Directors of  
Lycée Français de la Nouvelle-Orléans  
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 consolidated financial statements of Lycée Français de la Nouvelle-Orléans (Lycée or the Organization) which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 1, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.



### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

### Organization's Response to Findings

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Metairie, Louisiana  
December 1, 2022



30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163  
One Galleria Blvd., Suite 2100 – Metairie, LA 70001  
504-837-5990 Phone – 504-834-3609 Fax – [pn CPA.com](http://pn CPA.com)

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

To the Board of Directors of  
Lycée Français de la Nouvelle-Orléans  
New Orleans, Louisiana

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

***Opinion on Each Major Federal Program***

We have audited Lycée Français de la Nouvelle-Orléans' (a nonprofit organization) (Lycée or Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lycée's major federal programs for the year ended June 30, 2022. Lycée's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lycée complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### *Auditors' Responsibilities for the Audit of Compliance*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lycée's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lycée's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lycée's internal control over compliance. Accordingly, no such opinion is expressed.

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

### *Other Matters*

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal program is not modified with respect to this matter.



## **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-02 to be a significant deficiency.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Lycée's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Lycée's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Postlethwaite & Netterville*  
Metairie, Louisiana  
December 1, 2022



**LYCÉE FRANCAIS DE LA NOUVELLE-ORLÉANS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

<b>Federal Grantor/Pass- Through Grantor</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b><u>United States Department Agriculture</u></b>			
Passed through the Louisiana Department of Education:			
National School Lunch Program	10.555 <sup>1</sup>	Unknown	\$ 602,891
<b>Total United States Department of Agriculture</b>			602,891
<b><u>United States Department of Education</u></b>			
Passed through the Louisiana Department of Education:			
Title I - Grants to Local Education Agencies	84.010A	28-22-T1-L1	276,755
Direct Student Services - Grants to Local Education Agencies	84.010A	28-22-DSS-L1	8,570
			285,325
Title II - Part A, Teacher & Principal Training & Recruiting	84.367	Unknown	37,093
Title III - Immigrant	84.365	Unknown	4,129
Special Education, IDEA Part B	84.027A <sup>2</sup>	28-22-B1-L1	163,176
Special Education, Preschool Grants	84.173A <sup>2</sup>	28-22-P1-L1	4,455
Education Stabilization Fund - COVID-19			
COVID - ESSER II Formula	84.425D	28-20-ESRF-L1	300,186
COVID - ESSER III Formula	84.425U	28-20-ESRF-L2	153,827
COVID - ESSER IIIEB Interventions	84.425U	28-20-ESRF-L3	279,029
Total Education Stabilization Fund			733,042
<b>Total United States Department of Education</b>			1,227,220
<b><u>Department of Health and Human Services</u></b>			
Passed through the Louisiana Department of Education:			
LDH Safer Smarter Schools	93.323	Unknown	43,500
<b>Total Department of Health and Human Services</b>			43,500
<b><u>Federal Communications Commission</u></b>			
American Rescue Plan Act of 2021- Emergency Connectivity Fund	32.009	N/A	139,436
<b>Total Federal Communications Commission</b>			139,436
<b>Total Expenditures of Federal Awards</b>			\$ 2,013,047

<sup>1</sup> Child nutrition cluster \$ 602,891

<sup>2</sup> Special education cluster \$ 167,631

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

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2022**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Lycée Français de la Nouvelle-Orléans (Lycée) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Lycée, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Lycée. Lycée's reporting entity is defined in Note 1 to the consolidated financial statements for the year ended June 30, 2022.

2. Summary of Significant Accounting Policies

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

3. Relationship to Consolidated Financial Statements

Federal revenues of \$2,013,047 are included in the Consolidated Statement of Activities.

4. De Minimis Cost Rate

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

5. Amounts Passed through to Subrecipients

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

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2022**

**(1) Summary of Independent Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

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

Noncompliance material to financial statements noted? Yes

*Federal Awards*

Internal controls over major programs:

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

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

Any audit findings which are required to be reported under the Uniform Guidance? Yes

Identification of major programs:

84:010A      Title I- Grants to Local Education Agencies

*Education Stabilization Fund (ESF):*

84:425D      COVID-19 ESSERF II Formula  
84:425U      COVID-19 ESSERF III Formula  
84:425U      COVID-19 ESSERF IIIEB Interventions

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

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

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2022**

**FINDING – FINANCIAL STATEMENT AUDIT**

**2022-001: Internal Control over Financial Statement Preparation of the Consolidated Subsidiary**

*Criteria:* The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertion embodied in the annual consolidated financial statements, which for the Organization, is that consolidated financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

*Condition:* During our audit procedures related to the new building addition, we noted that there were building costs not capitalized and the related depreciation expense was not recorded in the general ledger for 1601 Leonidas, LLC. The new building was placed in service in December 2021 and therefore depreciation for six months should have been recorded. As such, upon consolidation, fixed assets were understated at year-end prior to the correction. Also, the intercompany amounts did not reconcile and therefore the consolidation entries were not balanced. Interest related to the notes payable was not accrued at year end.

*Cause:* The Consolidating Subsidiary is in the second year of operations and the accounting is done by a third-party vendor. The trial balance provided by the third-party vendor did not properly reflect the amounts for the building, accumulated depreciation, and interest payable. This is a repeat finding from the prior year.

*Effect:* The Organization has a significant deficiency in their internal control over financial reporting as it relates to the consolidated subsidiary.

*Recommendation:* We recommend that management review the fixed asset listing, related depreciation and interest payable to ensure that the amounts are properly recorded on a monthly basis.

*View of Responsible Official:* Management agrees and is concurrently making updates to our policies, procedures, and related control processes.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2022**

**FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS**

**2022 – 002) Graduation Rate Cohort Documentation**  
**U.S. Department of Education**

**84.010 Title I – Grants to Local Education Agencies**

Questioned Costs: Undetermined.

Criteria: The Organization must report graduation rate data for all public high schools at the school level using the 4-year adjusted cohort rate under 34 CFR section 200.19(b)(1)(i)-(iv)). Only students who earn a regular high school diploma may be counted as a graduate for purposes of calculating the 4-year adjusted cohort graduation rate. To remove a student from the cohort, a school must confirm, in writing, that the student transferred out, emigrated to another country, or is deceased. Lycée is responsible for assigning exit codes to any student who leaves the Organization. Only specific exit codes are deemed legitimate reasons for leaving the Organization and will cause the leaver to not be included in the cohort's graduation index calculations. These codes relate to death, transfers out of the state or country, transfers to non-public schools, transfers to home study/in-school private schooling, and transfers to Early College Admissions Programs.

Specific documentation must be maintained in order for students to be considered legitimate leavers from the cohort. The Organization is also responsible for developing a system of internal controls to ensure the proper documentation is retained for all leavers of the cohort.

Universe/  
Population Size: The sample of cohort removals should be selected from a universe that includes all student that left the Organization due transferring to a diploma awarding school or program, death, or emigration to another country. Based on these requirements, the total universe is 21 students who are considered leavers of the cohort during the year ended June 30, 2022. This is also considered the population size.

Sample Size: Based on sampling guidance for audits performed under the Uniform Guidance, a non-statistical sample of 5 leavers was selected for testing.

Condition(s): While testing compliance and internal controls with respect to 34 CFR §200.19(b), 2 of 5 leavers had exceptions to the required documentation set forth by the Louisiana Administrative Code Title 28, Part LXXXIII, Chapter 6, §611. The Organization does not have procedures in place to ensure adequate documentation is maintained to support the removal of students from a cohort.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2022**

**FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS**

**2022 – 002) Graduation Rate Cohort Documentation**  
**U.S. Department of Education**

**84.010 Title I – Grants to Local Education Agencies (continued)**

Cause: The Organization has experienced turnover, which has resulted in inconsistency in the execution of the control and ensuring documentation is adequately maintained.

Effect: The Organization is non-compliant with maintaining proper graduation rate cohort documentation. In addition, without proper internal controls over the graduation rate cohort process, appropriate levels of review may not occur, and therefore the Organization may not be complying with all of its responsibilities over Title I.

Recommendation: The Organization should establish procedures at the program administration level to ensure appropriate documentation is obtained related to removal of students from a cohort in accordance with Louisiana Administrative Code Title 28, Part LXXXIII, Chapter 6, §611.

Repeat Finding: No.

*View of Responsible Official:* Management agrees and is concurrently making updates to our policies, procedures, and related control processes.

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2022**

**FINDING – FINANCIAL STATEMENT AUDIT**

**2021-001: Internal Control over Financial Statement Preparation of the Consolidated Subsidiary**

*Criteria:* The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity’s ability to initiate, record, process, and report financial data consistent with the assertion embodied in the annual consolidated financial statements, which for the Organization, is that consolidated financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

*Condition:* On July 1, 2020 Lycée transferred 100% of its membership interest in 1601 Leonidas to a newly formed entity named 1601 Managing Member Inc. (“Consolidated Subsidiary”). During our search for unrecorded liabilities for the consolidated subsidiary, we noted that an invoice for construction services incurred in June was not recorded as a payable by the subsidiary in the proper period. We also noted that the associated retainage payable for the construction in progress was not recorded. As such, upon consolidation, payables and property and equipment were understated at year-end prior to the correction.

*Cause:* The Consolidating Subsidiary is in the first year of operations and the accounting is done by a third-party vendor. The trial balance provided by the third-party vendor did not properly reflect the outstanding payable for construction costs incurred in June and the related retainage payable.

*Effect:* The Organization has a significant deficiency in their internal control over financial reporting as it relates to the consolidated subsidiary.

*Recommendation:* We recommend that management review open invoices for construction costs and retainage payable for the Consolidated Subsidiary for a minimum of 60 days past year end to ensure that all payables are properly recorded at fiscal year-end.

*View of Responsible Official:* Management agrees and is concurrently making updates to our policies, procedures, and related control processes and will include a specific policy related to construction projects and retainage payable.

**Current Status: See 2022-001.**

LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

**FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS**

**2021-002: Equipment and Real Property - Internal Controls**

84.425C Education Stabilization Fund (ESF)

*Questioned Costs: None determined.*

*Criteria:* Internal controls over fixed assets should be in place to ensure proper accounting and financial reporting of these items as well as the safeguarding of those assets for unauthorized use or disposition. The property control system shall include an annual inventory and evaluation of all fixed assets with a value of \$5,000 or more.

*Universe/Population:* n/a

*Condition:* The current accounting procedures over fixed assets are not being implemented by the Organization's personnel. An annual physical inventory count at the building level was not performed in accordance with established policy as noted in the above criteria.

*Cause:* Due to turnover in the Organization the annual inventory count was not performed.

*Effect:* Without proper tracking, equipment acquired under Federal awards may have the potential for unauthorized use or disposition.

*Recommendation:* The Organization should consider providing additional training to IT personnel and remind them of the importance of established procedures and the implementation of those procedures to ensure proper internal controls to avoid misappropriation of assets acquired under Federal awards.

*View of Responsible Official:* Management agrees and is concurrently making updates to our policies, procedures, and related control processes as well.

**Current Status: Resolved.**





30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163  
One Galleria Blvd., Suite 2100 – Metairie, LA 70001  
504-837-5990 Phone – 504-834-3609 Fax – [pnncpa.com](http://pnncpa.com)

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**Independent Accountants' Report**  
**On Applying Agreed-Upon Procedures**

To the Board of Directors  
Lycée Français de la Nouvelle-Orléans  
New Orleans, Louisiana:

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

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

The procedures and associated findings are as follows:

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

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

**We noted no exceptions.**

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1<sup>st</sup> roll books and observed that the class was properly classified on Schedule 2:

**We noted no exceptions.**

Education Levels/Experience of Public School Staff

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

**We noted two exceptions in which an individual's years of experience was not able to be traced to the individual's personnel file, therefore we are not able to determine whether individual's years of experience was classified correctly in the PEP data submitted.**

Public School Staff Data: Average Salaries

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

**We noted no exceptions.**

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



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

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Lycée, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Postlethwaite & Netterville*

Metairie, Louisiana  
December 1, 2022

**Schedule 1: Lycée Français de la Nouvelle-Orléans**  
**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2022**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 4,686,796	
Other Instructional Staff Activities	960,972	
Employee Benefits	1,126,522	
Purchased Professional and Technical Services	238,372	
Instructional Materials and Supplies	558,844	
Total Teacher and Student Interaction Activities		7,571,506
Other Instructional Activities		-
Pupil Support Activities	791,166	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		791,166
Instructional Staff Services	535,992	
Less: Equipment for instructional staff services	-	
Net Instructional Staff Services		535,992
School Administration	1,131,241	
Less: Equipment for School Administration	-	
Net School Administration		1,131,241
Total General Fund Instructional Expenditures		\$ 10,029,905
Total General Fund Equipment Expenditures		\$ -

**Certain Local Revenue Sources**

*Not Applicable*

**Prepared by Lycée Français de la Nouvelle-Orléans**

**Schedule 2: Class Size Characteristics  
As of October 1, 2021**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	31%	79	62%	158	6%	15	1%	1
Elementary Activity Classes	29%	9	65%	20	6%	2	0%	-
Middle/Junior High	42%	44	58%	60	0%	-	0%	-
Middle/Junior High Activity Classes	0%	5	0%	19	0%	-	0%	-
High	84%	77	12%	11	3%	3	1%	1
High Activity Classes	86%	6	14%	1	0%	-	0%	-
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

Prepared by Lycée Français de la Nouvelle-Orléans

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**LYCEE FRANCAIS DE LA NOUVELLE ORLEANS**

**REPORT ON STATEWIDE**  
**AGREED-UPON PROCEDURES ON COMPLIANCE AND**  
**CONTROL AREAS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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Postlethwaite & Netterville

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30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163  
One Galleria Blvd., Suite 2100 – Metairie, LA 70001  
504-837-5990 Phone – 504-834-3609 Fax – [pncpa.com](http://pncpa.com)

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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of  
Lycée Français de la Nouvelle Orléans  
And the Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Lycée Français de la Nouvelle-Orléans (a nonprofit organization) (Lycée or the Entity) management is responsible for those C/C areas identified in the SAUPs.

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

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

We were engaged by Lycée to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

*Postlethwaite & Netterville*

Metairie, Louisiana  
December 1, 2022



**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
**AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS**  
**JUNE 30, 2022**

Schedule A

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

***A - Written Policies and Procedures***

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*No exceptions noted.*

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

*No exceptions noted.*

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*No exceptions noted.*

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- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*The Entity has written policies for Debt Service; however, the policy does not specifically address attribute (2) EMMA reporting requirements, attribute (3) debt reserve requirements, or attribute (4) debt service requirements.*

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

*The Entity has written policies for Disaster Recovery/ Business Continuity; however, the policy does not specifically address attribute (1) identification of critical data and frequency of data backups, (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.*

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

*The Entity has written policies for Sexual Harassment however the policy does not specifically address attribute (2) annual employee training, and (3) annual reporting.*

**LYCÉE FRANÇAIS DE LA NOUVELLE-ORLÉANS**  
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***B - Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exception noted.*

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

*No exception noted.*

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

*No exception noted.*

***C - Bank Reconciliations***

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

*A listing of bank accounts was provided and included a total of 4 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected 4 bank accounts and obtained the bank reconciliations for the month ending June 30, 2022, resulting in 4 bank reconciliations obtained and subjected to the below procedures.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

***D - Collections (excluding electronic funds transfers)***

---

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

*A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 1 deposit site and performed the procedures below.*

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

*A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.*

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exception noted.*

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

*No exception noted.*

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

*We randomly selected two deposit dates for each of the 1 bank account selected in procedure #3. We obtained supporting documentation for each of the 2 deposits and performed the procedures below.*

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

*The Entity does not maintain sequentially pre-numbered receipts. Deposit selected for testing was a direct deposit.*

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

*The Entity does not maintain sequentially pre-numbered receipts. Deposit selected for testing was a direct deposit.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

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

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

*From the listing provided, we randomly selected from the only location and performed the procedures below.*

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

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

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

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

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

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

*From the listing provided, we randomly selected 1 card (business credit card) used in the fiscal period. We randomly selected one monthly statement for each of the card selected and performed the procedures noted below.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*We randomly selected 10 transactions for the card selected in procedure #12 (and performed the specified procedures. For 1 out of the 10 items selected an original itemized receipt was not provided due to it being misplaced.*

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

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

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



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*From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.*

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

*Of the 5 reimbursements selected for our procedures, 3 used a per diem.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

***H - Contracts***

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

*An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 contracts and performed the procedures below.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*We randomly selected 1 payment for the 5 contracts selected in procedure #15 and performed the specified procedures. No exceptions noted.*

***I - Payroll and Personnel***

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

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

*From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.*

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

*We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions noted.*

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

*No exceptions noted.*

***J - Ethics (excluding nonprofits)***

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

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

*Not applicable.*

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

*Not applicable.*

***K - Debt Service***

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

*Not applicable.*

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

*A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 2 bond/note and performed the specified procedures. No exceptions noted.*

***L - Fraud Notice***

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

*A listing of misappropriations of public funds and assets during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*The Entity had no allegations during the reporting period.*

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

*The notice was posted on the Entity's premises and website .*

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***M - Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

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

*We performed the procedure and discussed the results with management.*

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

*We performed the procedure and discussed the results with management.*

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

*We performed the procedure and discussed the results with management.*

***N - Sexual Harassment***

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

*Not applicable for Type 2 charters in accordance with R.S. 42:341-345.*

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

*Not applicable for Type 2 charters in accordance with R.S. 42:341-345.*

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

*The annual sexual harassment report for the current fiscal period was not provided. Exception noted.*

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*



# LYCÉE FRANÇAIS

DE LA NOUVELLE-ORLÉANS

Corrective Action Plan for the Statewide Agreed Upon Procedures Audit Findings  
for the year ended June 30, 2022

**Submitted to:**

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

Lycée Français de la Nouvelle-Orléans' (a nonprofit organization) (Lycée) respectively  
submits the following corrective action plan for the year ended June 30, 2022.

**RESPONSE TO FINDINGS:**

We agree with the auditors' comments. We are concurrently making updates to our policies,  
procedures, and related control processes.

Signature:

Date: December 1, 2022

Keeanya Chenier, MPA  
Chief Financial Officer



# LYCÉE FRANÇAIS

DE LA NOUVELLE-ORLÉANS

Corrective Action Plan for the Audit Findings for the year ended June 30, 2022

**Submitted to:**

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

Lycée Français de la Nouvelle-Orléans' (a nonprofit organization) (Lycée) respectively submits the following corrective action plan for the year ended June 30, 2022.

**RESPONSES TO FINDINGS:**

2022-001: Internal Control over Financial Statement Preparation of the Consolidated Subsidiary

Response: We agree with the auditors' comments. We are concurrently making updates to our policies, procedures, and related control processes. Although an external vendor completed the initial set-up of the 1601 entity and managed all accounting functions related to the entity through FY2022, effective FY2022-2023 the function will transition to the Lycée Finance Team.

2022-002: Graduation Rate Cohort Documentation U.S. Department of Education

Response: We agree with the auditors' comments. We are concurrently making updates to our policies, procedures, and related control processes as well.

Signature:

Date: December 1, 2022

Keeanya Chenier, MPA  
Chief Financial Officer





# LYCÉE FRANÇAIS

DE LA NOUVELLE-ORLÉANS

Corrective Action Plan for the Audit Findings for B.E.S.E. Agreed Upon Procedures  
for the year ended June 30, 2022

**Submitted to:**

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

Lycée Français de la Nouvelle-Orléans' (a nonprofit organization) (Lycée) respectively  
submits the following corrective action plan for the year ended June 30, 2022.

**RESPONSE TO FINDINGS:**

We agree with the auditors' comments. We are concurrently making updates to our policies,  
procedures, and related control processes.

Signature:

Date: December 1, 2022

Keenya Chenier, MPA  
Chief Financial Officer