

**VOICES FOR INTERNATIONAL BUSINESS
AND EDUCATION**

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

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BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Voices for International Business and Education
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Voices for International Business and Education (a nonprofit School), which comprises the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Voices for International Business and Education as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2020, on our consideration of Voices for International Business and Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Voices for International Business and Education's internal control over financial reporting and compliance.

Bernard & Franks

Metairie, Louisiana
November 12, 2020

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

ASSETS	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,464,886	\$ 884,255
Receivables		
Grants	92,367	27,540
Prepaid Insurance	50,000	51,027
Prepaid Other	38,441	56,183
Total current assets	<u>\$ 1,645,694</u>	<u>\$ 1,019,005</u>
PROPERTY AND EQUIPMENT		
Less accumulated depreciation	(1,080,982)	(973,757)
Total property and equipment	<u>\$ 670,464</u>	<u>\$ 742,425</u>
Total assets	<u><u>\$ 2,316,158</u></u>	<u><u>\$ 1,761,430</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 117,781	\$ 99,585
Accrued salaries and benefits	191,264	191,636
Total current liabilities	<u>\$ 309,045</u>	<u>\$ 291,221</u>
LONG TERM LIABILITY		
Paycheck Protection Program Loan	\$ 774,200	\$ -
Deferred federal payroll taxes	26,701	-
Total long term liabilities	<u>\$ 800,901</u>	<u>\$ -</u>
NET ASSETS		
Without donor restrictions	\$ 1,206,212	\$ 1,470,209
Total net assets	<u>\$ 1,206,212</u>	<u>\$ 1,470,209</u>
Total liabilities and net assets	<u><u>\$ 2,316,158</u></u>	<u><u>\$ 1,761,430</u></u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020 Without Donor Restrictions	2019 Without Donor Restrictions
REVENUE, GAINS, AND OTHER SUPPORT		
Grants:		
State	\$ 4,594,083	\$ 4,944,287
Federal	677,629	598,440
Contributions	60,575	94,473
Interest	4,996	7,551
Other	182,045	134,056
	<hr/>	<hr/>
Total revenues, gains and other support	\$ 5,519,328	\$ 5,778,807
	<hr/>	<hr/>
EXPENSES		
Program services	\$ 4,573,691	\$ 4,652,297
Supporting services		
General and administrative	1,150,986	1,277,463
Fund raising	58,648	50,902
	<hr/>	<hr/>
Total expenses	\$ 5,783,325	\$ 5,980,662
	<hr/>	<hr/>
Increase (decrease) in net assets	\$ (263,997)	\$ (201,855)
NET ASSETS AT BEGINNING OF YEAR	<hr/>	<hr/>
	1,470,209	1,672,064
NET ASSETS AT END OF YEAR	<hr/>	<hr/>
	\$ 1,206,212	\$ 1,470,209
	<hr/>	<hr/>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Service</u>			
	<u>Education Program</u>	<u>General and Administrative</u>	<u>Fund-raising</u>	<u>Total</u>
Salaries and related expenses				
Salaries	\$ 2,589,827	\$ 671,997	\$ 45,763	\$ 3,307,587
Employee benefits	265,860	83,956	-	349,816
Payroll taxes	190,020	60,007	-	250,027
Total salaries and related expenses	<u>\$ 3,045,707</u>	<u>\$ 815,960</u>	<u>\$ 45,763</u>	<u>\$ 3,907,430</u>
Accounting	\$ -	\$ 17,605	\$ -	\$ 17,605
Advertising	37,851	12,617	-	50,468
Communications	44,254	11,063	-	55,317
Equipment rental and lease	40,699	10,175	-	50,874
Depreciation	-	107,225	-	107,225
Dues and fees	32,502	32,502	-	65,004
Insurance	50,687	3,815	-	54,502
Miscellaneous	104,771	21,158	-	125,929
Occupancy	156,796	11,801	-	168,597
Professional services				
Educational	210,309	-	-	210,309
Legal	-	42,964	-	42,964
Other	174,539	20,373	-	194,912
Printing and binding	-	2,058	-	2,058
Repairs and maintenance	35,331	2,659	-	37,990
Student transportation	289,936	-	-	289,936
Supplies				
Books	10,083	-	-	10,083
Other materials and supplies	219,025	25,767	12,885	257,677
Technology	21,697	-	-	21,697
Travel and conferences	52,974	13,244	-	66,218
Tuition to other LEAs	46,530	-	-	46,530
Total expenses	<u>\$ 4,573,691</u>	<u>\$ 1,150,986</u>	<u>\$ 58,648</u>	<u>\$ 5,783,325</u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Program Service</u>			
	<u>Education Program</u>	<u>General and Administrative</u>	<u>Fund-raising</u>	<u>Total</u>
Salaries and related expenses				
Salaries	\$ 2,640,397	\$ 681,938	\$ 37,179	\$ 3,359,514
Employee benefits	338,016	108,362	5,129	451,507
Payroll taxes	195,974	62,853	3,062	261,889
Total salaries and related expenses	<u>\$ 3,174,387</u>	<u>\$ 853,153</u>	<u>\$ 45,370</u>	<u>\$ 4,072,910</u>
Accounting	\$ -	\$ 20,641	\$ -	\$ 20,641
Advertising	49,403	16,468	-	65,871
Communications	24,793	6,198	-	30,991
Equipment rental and lease	36,185	10,412	1,650	48,247
Depreciation	-	134,024	-	134,024
Dues and fees	31,300	34,303	-	65,603
Insurance	91,681	17,599	-	109,280
Miscellaneous	94,241	10,540	-	104,781
Occupancy	159,845	12,031	-	171,876
Professional services				
Educational	126,906	-	-	126,906
Legal	-	94,873	-	94,873
Other	195,998	24,499	1,525	222,022
Printing and binding	-	3,490	-	3,490
Repairs and maintenance	29,057	2,187	-	31,244
Student transportation	397,167	-	-	397,167
Student scholarship	1,000	-	-	1,000
Supplies				
Books	1,712	-	-	1,712
Other materials and supplies	162,721	26,358	2,357	191,436
Technology	13,018	-	-	13,018
Travel and conferences	42,750	10,687	-	53,437
Tuition to other LEAs	20,133	-	-	20,133
Total expenses	<u>\$ 4,652,297</u>	<u>\$ 1,277,463</u>	<u>\$ 50,902</u>	<u>\$ 5,980,662</u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (263,997)	\$ (201,855)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	107,225	134,024
(Increase) decrease in operating assets:		
Accounts receivable:		
Grants	(64,827)	8,361
Prepaid expenses	18,769	11,250
Increase (decrease) in operating liabilities:		
Accounts payable	18,196	12,468
Accrued salaries and benefits	(372)	(45,469)
Net cash provided by operating activities	\$ (185,006)	\$ (81,221)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	\$ (35,264)	\$ (38,473)
Refundable advance- Paycheck Protection Program	774,200	-
Net cash provided by investing activities	\$ 738,936	\$ (38,473)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in deferred federal payroll taxes	\$ 26,701	\$ -
Net cash provided by financing activities	\$ 26,701	\$ -
Net increase in cash and cash equivalents	\$ 580,631	\$ (119,694)
Beginning cash and cash equivalents	\$ 884,255	\$ 1,003,949
Ending cash and cash equivalents	\$ 1,464,886	\$ 884,255

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Voices for International Business and Education, d.b.a. The International High School of New Orleans was incorporated on August 7, 2009. It is the only high school in New Orleans offering the International Baccalaureate Diploma Program and college preparatory curriculum in the New Orleans, Louisiana area. The School's mission is to educate and nurture a diverse learning community through the International Baccalaureate Programme, world languages, and intercultural appreciation to succeed in the global economy. The School is primarily supported by governmental and private grants.

The Louisiana Board of Elementary and Secondary Education (BESE) approved the School to operate as a Type 2 Charter School, as defined in LA- R.S.17:3992 and 3998 for a contract period of a six year term that will terminate on June 30, 2021.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recorded when incurred.

Basis of Presentation

The School follows the financial statement presentation recommended by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. The School reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

The governing board has not designated, from net assets without donor restrictions, net assets for an operating reserve and a board-designated endowment. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the School, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The School's unspent contributions are reported in net assets with donor contributions if the donor has limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted earmarked to acquire property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. As of June 30, 2020 and 2019, the School has not received any contributions with donor-imposed restrictions that would result in donor restricted net assets.

Financial Statement Presentation

As of June 30, 2020 and 2019, the School has not received any contributions with donor-imposed restrictions that would result in donor restricted net assets.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the School considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

The School maintains its cash balance in a financial institution located in New Orleans, Louisiana. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. The School's bank pledged securities in the amount of \$1,250,000 to secure the bank balance.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables consist of amounts due from grants. Management believes that all receivables are collectible. The receivables are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All promises to give are recognized as assets and revenues. There were no promises to give at June 30, 2020 and 2019.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the assets as follows:

Leasehold improvements	1 to 6 years
Furniture and equipment	5 to 7 years

State funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

Contributions and Grants

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

Grant revenue is recognized as it is earned in accordance with approved agreements and contracts.

Advertising

The School expenses all advertising costs as incurred. For the years ended June 30, 2020 and 2019, the School incurred and expensed advertising costs of \$50,468 and \$65,870, respectively.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an School other than a private foundation under Section 509(a)(2). The School believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Functional Allocation of Expense

The costs of providing program services and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on use rates estimated by management. Directly identifiable expenses are charged to program, management and general and fundraising as appropriate.

Pending Accounting Pronouncements

The FASB issued ASU No, 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to update its revenue recognition standard to clarify the principles of recognizing revenues and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. This standard will be effective for the School for annual periods beginning after December 15, 2020.

In February 2016, the FASB issued ASU No, 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021.

NOTE 2. LINE OF CREDIT

The School maintains a line of credit of \$400,000 with a maturity date of November 14, 2024, which has variable rate based on the prime rate of interest. The purpose of the loan is to provide short term working capital for the School. The line is secured by all grant proceeds from the Louisiana Department of Education and was unused for the years ended June 30, 2020 and 2019.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following for the years ended June 30, 2020 and 2019:

	2020	2019
Leasehold improvements	\$ 547,636	\$ 547,636
Furniture and equipment	1,203,810	1,168,546
	1,751,446	1,716,182
Less accumulated depreciation	(1,080,982)	(973,757)
	\$ 670,464	\$ 742,425

Depreciation expense was \$107,225 and \$134,024 for the years ended June 30, 2020 and 2019, respectively.

NOTE 4. DEFERRED FEDERAL PAYROLL TAXES

The Coronavirus, Aid, Relief and Economic Security Act (CARES Act) allows employers to defer the deposit and payment of the employer's share of Social Security taxes through December 31, 2020. Half of the deferred amount is due on December 31, 2021, and the other half is due on December 31, 2022. The School deferred \$26,701 and \$0 of the employer's portion of Social Security tax for the years ended June 30, 2020 and 2019, respectively.

NOTE 5. RETIREMENT PLAN

The School offers a 401(k) plan covering all employees upon the completion of one year of employment or 1,000 hours of service. The School contributes a match up to 3% of all employee's elective deferrals. Retirement expense was \$36,028 and \$65,886 for the years ended June 30, 2020 and 2019, respectively.

NOTE 6. GRANTS AND ECONOMIC DEPENDENCY

The Minimum Foundation Program formula adopted by the State Board of Elementary and Secondary Education (BESE) and approved by the State Legislature determines the cost of a minimum foundation program of education in all public elementary and secondary schools and helps to allocate the funds equitably to parish, city and other local school systems.

Funding through the Minimum Foundation Program is essentially in the form of a block grant from the State to the local school systems. Revenues received by the State are from sales tax revenues, ad valorem taxes, and other sources which are allocated to each school based on its enrollment and other student characteristics. The School averaged 442 and 508 students enrolled for the school years ended June 30, 2020 and 2019, respectively. The School recognized revenue under this grant of \$4,594,083 or 77% and \$4,955,364, which is 86% of total revenue for the years ended June 30, 2020 and 2019.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7. PAYCHECK PROTECTION PROGRAM (LOAN)

On April 30, 2020, the Organization received loan proceeds in the amount of \$261,100 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and associated accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months. The Organization intends to use the proceeds for purposes consistent with the PPP forgiveness requirements. At June 30, 2020, if the loan was to be paid in accordance with the terms of the note, then monthly payments of \$43,577 including interest would begin on October 20, 2021 and be paid through March 20, 2023. The loan balance would increase \$11,276 for accrued interest. Principle payments of \$385,956 and \$388,244 would be paid for the years ended June 30, 2022 and 2023, respectively.

NOTE 8. SCHOOL OPERATIONS/LEASEHOLD INTEREST

The School has a lease with the Recovery School District to use the facilities and its contents located at 727 Carondelet Street, New Orleans, Louisiana. The lease agreement coincides with the term of the charter contract and its extensions that are granted by the Louisiana Board of Elementary and Secondary Education.

Upon the School’s successful completion of the Third-Year Evaluation, the RSD issued a new lease agreement for six years and shall terminate on June 30, 2021. The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations and rules.

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

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9. LIQUIDITY AND AVAILABILITY OF RESOURCES

The School had the following financial assets available within one year of the statement of financial position date of June 30, 2020 and 2019 for general expenditures.

	2020	2019
Cash and cash equivalents	\$ 1,464,886	\$ 884,255
Grant receivables	92,367	27,540
	\$ 1,557,253	\$ 911,795

Financial assets available to meet cash needs for general expenditures within one year. The financial assets are subject to contractual restrictions, however, they are available for general school program and management and general expenditures within one year of the statement of financial position. The School has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. As described in Note 3, the School also has a line of credit in the amount of \$400,000, which it could draw upon in the event of an unanticipated liquidity need.

NOTE 10. SUBSEQUENT EVENTS

Subsequent events were evaluated by the School through November 12, 2020, which is the date the financial statements were available to be issued. In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health School characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time.

There has been no immediate impact to the School's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the taxpayers' ability to pay the expenditures. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE HEAD OF SCHOOL
FOR THE YEAR ENDED JUNE 30, 2020**

Agency Head Name: Sean Wilson, Head of School

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,000
Bonus	12,000
Benefits-insurance	6,720
Registration fees	250
Conference travel	6,874
	<u>\$ 200,844</u>

OTHER AUDITOR'S REPORTS



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JAMES L. WHITE, C.P.A.

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

To the Board of Directors
Voices for International Business and Education
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Voices for International Business and Education (a nonprofit School), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 12, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

This report is intended for the information of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana, Federal Awarding Agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Metairie, Louisiana
November 12, 2020

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED JUNE 30, 2020 AND 2019**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Voices for International Business and Education, which was prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Voices for International Business and Education were disclosed in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.
4. No management letter was issued for the year ended June 30, 2020 and 2019.
5. Voices for International Business and Education did not expend more than \$750,000 in federal awards during the years ended June 30, 2020 and 2019, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

FINDINGS-FINANCIAL STATEMENTS

There were no findings in the years ended June 30, 2020 and 2019.

FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This is not applicable to the School for the years ended June 30, 2020 and 2019.

REPORT BY MANAGEMENT

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020**

There were no prior year findings.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED
UPON PROCEDURES**



**AGREED-UPON PROCEDURES REPORT
ON CHARTER SCHOOL PERFORMANCE MEASURES**
Voices for International Business and Education

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To Voices for International Business and Education, the Louisiana Department of Education, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Voices for International Business and Education (the Charter School); the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Charter School for the fiscal year ended June 30, 2020; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) in compliance with Louisiana Revised Statute 24:514 I. Management of the Charter School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

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

There were no differences noted.

Class Size Characteristics (Schedule 2)

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

There were no differences noted.

Education Levels of Public School Staff (NO SCHEDULE)

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

There were no differences noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

There were no differences noted.

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

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

Bernard & Franks

Metairie, Louisiana
November 12, 2020

SCHEDULES REQUIRED BY THE STATE OF LOUISIANA
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2020

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,455,458	
Other Instructional Staff Activities	246,104	
Instructional Staff Employee Benefits	323,142	
Purchased Professional and Technical Services	365,509	
Instructional Materials and Supplies	146,758	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 2,536,971
Other Instructional Activities		\$ 137,844
Pupil Support Activities	\$ 481,526	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	\$ 481,526
Instructional Staff Services	\$ 42,769	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	\$ 42,769
School Administration		
Less: Equipment for School Administration	\$ 1,004,699	
Net School Administration	-	\$ 1,004,699
Total General Fund Instructional Expenditures (Total Column B)		\$ 4,203,809
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$ -

**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana**

**Class Size Characteristics
As of October 1, 2019**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High	75%	163	23%	52	1%	1	1%	1
High Activity Classes	56%	10	32%	6	6%	1	6%	1
Combination								
Combination Activity Classes								

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.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Charter Schools)

9/15/2020 (Date Transmitted)

Bernard & Franks, CPAs (CPA Firm Name)

4141 Veterans Memorial Blvd. (CPA Firm Address)

Metairie, LA 70002 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 6/30/2020 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you.

Administration

It is true that no member of the governing or management board has received any compensation other than reimbursement of actual expenses incurred while fulfilling duties as a member of such board [R.S. 17:3991(A)(1)(b)].

The school is not affiliated with any religion or religious organization or institution [R.S. 17:3991(E)(1)].

Yes [X] No []

Student Admissions

Student admission requirements, if any, include a system for appropriate admission decisions and the requirements have been applied on a consistent basis [R.S. 17:3991(B)(3)].

It is true that all students reside within the jurisdiction of the school as described in the charter agreement [R.S. 17:3991(C)(1)(a)].

Yes [X] No []

Instructional Staff

The charter school has employed instructional staff who have at least a baccalaureate degree and who are subject to all provisions of state law relative to background checks applicable to the employment of public school personnel [R.S. 17:3991(C)(6)].

Yes [X] No []

Fixed Assets

Yes, as a Type 4 charter school, if applicable, we have maintained records of fixed assets that clearly identify those assets belonging to the local school board [R.S. 17:3991(H)].

Yes, as a Type 1, Type 2, Type 3, Type 3B, or Type 5 charter school, if applicable, we have maintained records of fixed assets that clearly identify those assets acquired with public funds, which, if the school ceases to operate, become the property of the chartering authority [R.S. 17:3991(H)].

Yes [X] No []

Open Meetings Law

We have complied with the laws pertaining to open and public meetings (R.S. 42:11 through 42:28).

Yes [X] No []

Public Bid Law

It is true that we obtained bids for any erection, construction, alteration, improvement, or repair of a public facility or immovable property (R.S. 38:2211 through 38:2259).

Yes No

[]

Code of Ethics for Public Officials and Public Employees

It is true that no employees or member of the governing or management board have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing or management board of the charter school has been employed by the charter school under circumstances that would constitute a violation of R.S. 42:1119, except as applies to any person employed by the charter school prior to August 15, 2003.

Yes No

State Audit Law

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

Reporting

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

Other

It is true that the actual operations of the school agree with those specified in its approved charter (See Charter).

Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [X] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [X] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [X] No []

We will disclose to you, the Legislative Auditor, the Louisiana Department of Education, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [X] No []

The ~~Previous~~ Present ~~Statements~~ have been made to the best of our belief and knowledge.

 <small>Shontell Thomas (Nov 17, 2020 10:27 CST)</small>	Secretary	<u>09-16-2020</u>	Date
	Treasurer		Date
 <small>Shontell Thomas (Nov 17, 2020 10:27 CST)</small>	President	<u>shontell thomas</u>	Date