

**VOICES FOR INTERNATIONAL BUSINESS
AND EDUCATION**

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
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, 2019 and 2018, 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. 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 10 to the financial statements, the Organization implemented the Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

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 15, 2019, 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.



November 15, 2019

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

ASSETS	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 884,255	\$ 1,003,950
Receivables		
Grants	27,540	35,901
Prepaid Insurance	51,027	50,000
Prepaid Other	56,183	68,460
Total current assets	<u>\$ 1,019,005</u>	<u>\$ 1,158,311</u>
PROPERTY AND EQUIPMENT	\$ 1,716,182	\$ 1,677,708
Less accumulated depreciation	(973,757)	(839,733)
Total property and equipment	<u>\$ 742,425</u>	<u>\$ 837,975</u>
Total assets	<u><u>\$ 1,761,430</u></u>	<u><u>\$ 1,996,286</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 141,854	\$ 129,386
Accrued salaries and benefits	149,367	194,836
Total current liabilities	<u>\$ 291,221</u>	<u>\$ 324,222</u>
 NET ASSETS		
Without donor restrictions	\$ 1,470,209	\$ 1,672,064
Total net assets	<u>\$ 1,470,209</u>	<u>\$ 1,672,064</u>
Total liabilities and net assets	<u><u>\$ 1,761,430</u></u>	<u><u>\$ 1,996,286</u></u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019 Without Donor Restrictions</u>	<u>2018 Without Donor Restrictions</u>
REVENUE, GAINS, AND OTHER SUPPORT		
Grants:		
State	\$ 4,955,364	\$ 5,402,787
Federal	587,363	653,143
Contributions	94,473	57,528
Interest	7,551	6,854
Other	134,056	155,997
	<u>5,778,807</u>	<u>6,276,309</u>
Total revenues, gains and other support	<u>\$ 5,778,807</u>	<u>\$ 6,276,309</u>
EXPENSES		
Program services	\$ 4,652,297	\$ 4,647,596
Supporting services		
General and administrative	1,277,463	1,620,736
Fund raising	50,902	38,784
	<u>5,980,662</u>	<u>6,307,116</u>
Total expenses	<u>\$ 5,980,662</u>	<u>\$ 6,307,116</u>
Increase (decrease) in net assets	\$ (201,855)	\$ (30,807)
NET ASSETS AT BEGINNING OF YEAR	<u>1,672,064</u>	<u>1,702,871</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,470,209</u></u>	<u><u>\$ 1,672,064</u></u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

	Program Service			
	Education Program			
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

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Service		Fund-raising	Total
	Education Program	General and Administrative		
Salaries and related expenses				
Salaries	\$ 2,598,008	\$ 837,694	\$ 38,784	\$ 3,474,486
Employee benefits	343,955	108,618	-	452,573
Payroll taxes	202,222	63,859	-	266,081
Total salaries and related expenses	<u>\$ 3,144,185</u>	<u>\$ 1,010,171</u>	<u>\$ 38,784</u>	<u>\$ 4,193,140</u>
Accounting	\$ -	\$ 16,700	\$ -	\$ 16,700
Advertising	39,974	13,325	-	53,299
Communications	35,742	8,936	-	44,678
Equipment rental and lease	33,414	11,138	-	44,552
Depreciation	-	144,453	-	144,453
Dues and fees	25,115	25,115	-	50,230
Insurance	99,703	7,505	-	107,208
Miscellaneous	150,687	29,236	-	179,923
Occupancy	59,766	4,499	-	64,265
Professional services				
Educational	140,188	-	-	140,188
Legal	-	256,861	-	256,861
Other	190,939	21,272	-	212,211
Printing and binding	-	18,555	-	18,555
Repairs and maintenance	46,500	3,500	-	50,000
Student transportation	403,713	-	-	403,713
Supplies				
Books	13,224	-	-	13,224
Other materials and supplies	178,729	31,540	-	210,269
Technology	13,998	-	-	13,998
Travel and conferences	71,719	17,930	-	89,649
Total expenses	<u>\$ 4,647,596</u>	<u>\$ 1,620,736</u>	<u>\$ 38,784</u>	<u>\$ 6,307,116</u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (201,855)	\$ (30,807)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	134,024	144,453
(Increase) decrease in operating assets:		
Accounts receivable:		
Grants	8,361	(24,768)
Prepaid expenses	11,250	(85,027)
Increase (decrease) in operating liabilities:		
Accounts payable	12,468	(46,943)
Accrued salaries and benefits	(45,469)	25,939
Net cash provided by operating activities	\$ (81,221)	\$ (17,153)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	\$ (38,473)	\$ (76,214)
Net cash provided by financing activities	\$ (38,473)	\$ (76,214)
 Net increase in cash and cash equivalents	\$ (119,694)	\$ (93,367)
 Beginning cash and cash equivalents	\$ 1,003,949	\$ 1,097,316
 Ending cash and cash equivalents	\$ 884,255	\$ 1,003,949

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1. ORGANIZATION AND 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 financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (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 Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Financial Statement Presentation

As of June 30, 2019 and 2018, the Organization 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

Cash, which is held in interest bearing accounts, consists of unrestricted and temporarily restricted balances. Unrestricted cash balances represent cash available for general operating purposes. For the purpose of statements of cash flows, the School considers all highly unrestricted liquid investments available for current use with a maturity of three months or less to be cash equivalents.

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.

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.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2019 and 2018.

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.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statement of financial position. The Organization did not recognize any unrelated tax liabilities. The Organization's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

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 benefited based on use rates estimated by management. Directly identifiable expenses are charged to programs, management and general and fundraising as appropriate.

Advertising

The School expenses all advertising costs as incurred that are not direct-response. For the years ended June 30, 2019 and 2018, the School incurred and expensed advertising costs of \$65,870 and \$53,299, respectively.

Pending Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires that lessees to recognize right-of-use assets and lease liabilities for all leases with terms longer than 12 months. The ASU is effective for the Organization for periods beginning after December 15, 2020. The adoption of this standard is expected to result in the Organization's recognizing right-of-use assets and lease liabilities for some leases currently accounted for as operating leases under the legacy lease accounting guidance. Management is evaluating the impact of this standard on the Organization's financial statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Accounting Pronouncements (Continued)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU amends the existing accounting standards for revenue recognition, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following for the years ended June 30, 2019 and 2018:

	2019	2018
Leasehold improvements	\$ 547,636	\$ 547,636
Furniture and equipment	1,168,546	1,130,072
	1,716,182	1,677,708
Less accumulated depreciation	(973,757)	(839,733)
	\$ 742,425	\$ 837,975

Depreciation expense was \$134,024 and \$144,471 for the years ended June 30, 2019 and 2018, respectively.

NOTE 3. LINE OF CREDIT

The School maintains a line of credit of \$400,000 with a maturity date of November 14, 2019, 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. The line of credit was unused for the years ended June 30, 2019 and 2018.

NOTE 4. 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 \$65,886 and \$49,583 for the years ended June 30, 2019 and 2018, respectively.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5. 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 508 and 558 students enrolled for the school years ended June 30, 2019 and 2018, respectively. The School recognized revenue under this grant of \$4,955,364 and \$5,413,864, which is 86% of total revenue for the years ended June 30, 2019 and 2018.

NOTE 6. 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, 2019 AND 2018

NOTE 7. 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, 2019 and 2018 for general expenditures.

	2019	2018
Cash and cash equivalents	\$ 884,255	\$ 1,003,950
Grant receivables	27,540	35,901
	\$ 911,795	\$ 1,039,851

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 8. SUBSEQUENT EVENTS

The School has evaluated subsequent events through November 15, 2019, the date which the financial statements were available to be issued.

NOTE 9. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not for-Profit Entities*, which simplifies and improves how a nonprofit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. Among other changes, the ASU replaced the three current classes of net assets with two new classes, net assets with donor restrictions and net assets without donor restrictions, and expands disclosures about the nature and amount of any donor restrictions. Implementation did not result in any quantitative changes to the financial position, activities, cash flows or net assets.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE HEAD OF SCHOOL
FOR THE YEAR ENDED JUNE 30, 2019

Agency Head Name: Sean Wilson, Head of School

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,000
Bonus	7,687
Benefits-insurance	10,750
Benefits-retirement	5,250
Reimbursements	1,676
Travel	3,475
Registration fees	4,216
Conference travel	7,176
	<u>\$ 215,230</u>

OTHER AUDITOR'S REPORTS



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 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 organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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 15, 2019.

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*.

Voices for International Business and Education's Response to Findings

Voices for International Business and Education's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Voices for International Business and Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 15, 2019



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

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting

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

Noncompliance material to the financial statements noted? _____ Yes X No

Federal Awards

Voices for International Business and Education did not receive federal awards in excess of \$750,000 during the year ended June 30, 2019 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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

Internal Control over Financial Reporting

There were no findings noted during the audit for the year ended June 30, 2018 related to internal control over financial reporting.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the financial statements for the year June 30, 2018.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2019**

Section I – Internal Control over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control over Financial Reporting

There were no findings regarding internal controls over financial reporting reported during the audit for the financial statements for the year June 30, 2018.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the financial statements for the year June 30, 2018.

Section II - Internal Control and Compliance Material to Federal Awards

The School did not receive federal awards in excess of \$750,000 for the year ended June 30, 2018 and therefore this is not applicable.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2018.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
MANAGEMENT'S CORRECTIVE ACION PLAN
JUNE 30, 2019**

Section I – Internal Control over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control over Financial Reporting

No material weaknesses were reported during the audit of the financial statements for the year ended June 30, 2019.

No significant deficiencies were reported during the audit of the financial statements for the year ended June 30, 2019.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the financial statements for the year June 30, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

The Organization did not receive federal awards in excess of \$750,000 for the year ended June 30, 2019 and therefore this is not applicable.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2019.

**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, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) 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.

A handwritten signature in cursive script that reads "Bernard & Franks".

Bernard & Franks, A Corporation of CPA's
Metairie, Louisiana
November 15, 2019

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, 2019**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	1,441,439.00	
Other Instructional Staff Activities	285,840.00	
Instructional Staff Employee Benefits	427,612.00	
Purchased Professional and Technical Services	187,401.00	
Instructional Materials and Supplies	151,443.00	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 2,493,735
Other Instructional Activities		176,421
Pupil Support Activities	616,527	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	616,527
Instructional Staff Services	14,718	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	14,718
School Administration		
Less: Equipment for School Administration	935,483	
Net School Administration	-	935,483
Total General Fund Instructional Expenditures (Total Column B)		\$ 4,236,884
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, 2018

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%	175	16%	37	3%	7		
High Activity Classes	5%	12	0.4%	1	0.4%	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)

12/19/2019	(Date Transmitted)
Bernard and Franks, CPA	(CPA Firm Name)
4141 Veterans Blvd., Suite 313	(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 6/30/2019 (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 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 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 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 No

Open Meetings Law

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

Yes 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 No

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

Yes 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 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 No []

The previous responses have been made to the best of our belief and knowledge.

 <small>J. GALT Secretary</small>	Secretary	12/20/19	Date
 <small>[unclear]</small>	Treasurer		Date
 <small>Mariska Witt-Renes President</small>	President	12/19/19	Date