

**VOICES FOR INTERNATIONAL BUSINESS
AND EDUCATION**

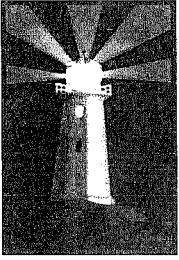
FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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 F. CHETTA, C.P.A.

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

JAMES L. WHITE, C.P.A.

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, 2016 and 2015, 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 entity'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 entity'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, 2016 and 2015, 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.

Other Matter

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 October 28, 2016, 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

October 28, 2016

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

ASSETS	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,158,360	\$ 1,208,098
Receivables		
Grants	48,730	10,494
Prepaid insurance	1,544	13,757
Total current assets	<u>\$ 1,208,634</u>	<u>\$ 1,232,349</u>
PROPERTY AND EQUIPMENT		
Less accumulated depreciation	(538,026)	(394,323)
Total property and equipment	<u>\$ 928,998</u>	<u>\$ 914,769</u>
Total assets	<u><u>\$ 2,137,632</u></u>	<u><u>\$ 2,147,118</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 247,303	\$ 117,265
Accrued salaries and related expenses	121,508	160,715
Total current liabilities	<u>\$ 368,811</u>	<u>\$ 277,980</u>
NET ASSETS		
Unrestricted	\$ 1,768,821	\$ 1,869,138
Total net assets	<u>\$ 1,768,821</u>	<u>\$ 1,869,138</u>
Total liabilities and net assets	<u><u>\$ 2,137,632</u></u>	<u><u>\$ 2,147,118</u></u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
REVENUE, GAINS, AND OTHER SUPPORT		
Grants:		
State	\$ 5,366,074	\$ 5,066,053
Federal	465,225	387,630
Contributions	80,778	21,098
Interest	9,787	4,785
Other	113,825	182,752
	<u> </u>	<u> </u>
Total revenues, gains and other support	<u>\$ 6,035,689</u>	<u>\$ 5,662,318</u>
EXPENSES		
Program services	\$ 4,867,933	\$ 4,026,048
Supporting services		
General and administrative	1,260,182	1,139,989
Fund raising	7,891	272
	<u> </u>	<u> </u>
Total expenses	<u>\$ 6,136,006</u>	<u>\$ 5,166,309</u>
Increase (decrease) in net assets	\$ (100,317)	\$ 496,009
NET ASSETS AT BEGINNING OF YEAR	<u>1,869,138</u>	<u>1,373,129</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,768,821</u></u>	<u><u>\$ 1,869,138</u></u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Program</u>		<u>Fund-raising</u>	<u>Total</u>
	<u>Service</u>	<u>General and</u>		
	<u>Education</u>	<u>Administrative</u>		
	<u>Program</u>			
Salaries and related expenses				
Salaries	\$ 2,529,516	\$ 693,215	\$ -	\$ 3,222,731
Employee benefits	218,468	80,803	-	299,271
Payroll taxes	190,586	70,491	-	261,077
Total salaries and related expenses	<u>\$ 2,938,570</u>	<u>\$ 844,509</u>	<u>\$ -</u>	<u>\$ 3,783,079</u>
Accounting	\$ -	\$ 12,350	\$ -	\$ 12,350
Advertising	57,979	19,326	-	77,305
Communications	56,295	14,074	-	70,369
Equipment rental and lease	27,554	9,185	-	36,739
Depreciation	140,968	2,735	-	143,703
Dues and fees	26,966	26,966	-	53,932
Food service management	154,257	-	-	154,257
Insurance	104,911	7,897	-	112,808
Miscellaneous	26,630	26,612	7,520	60,762
Occupancy	67,908	5,112	-	73,020
Professional services				
Educational	108,543	-	-	108,543
Legal	-	96,954	-	96,954
Other	344,653	77,793	-	422,446
Printing and binding	-	4,614	-	4,614
Repairs and maintenance	52,407	3,945	-	56,352
Student transportation	346,493	-	-	346,493
Supplies				
Books	21,791	-	-	21,791
Other materials and supplies	222,798	73,895	371	297,064
Technology	32,843	-	-	32,843
Travel and conferences	136,367	34,215	-	170,582
Total expenses	<u>\$ 4,867,933</u>	<u>\$ 1,260,182</u>	<u>\$ 7,891</u>	<u>\$ 6,136,006</u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015**

	Program Service			Total
	Education Program	General and Administrative	Fund-raising	
Salaries and related expenses				
Salaries	\$ 2,381,823	\$ 636,889	\$ -	\$ 3,018,712
Employee benefits	252,053	61,209	-	313,262
Payroll taxes	155,038	47,005	-	202,043
Total salaries and related expenses	<u>\$ 2,788,914</u>	<u>\$ 745,103</u>	<u>\$ -</u>	<u>\$ 3,534,017</u>
Accounting	\$ -	\$ 32,212	\$ -	\$ 32,212
Advertising	-	34,388	-	34,388
Communications	39,670	38,338	-	78,008
Depreciation	114,459	3,811	-	118,270
Dues and fees	-	88,212	-	88,212
Equipment rental and lease	20,338	6,779	-	27,117
Food service management	81,404	-	-	81,404
Insurance	89,035	8,977	-	98,012
Miscellaneous	2,749	12,068	-	14,817
Occupancy	39,816	2,997	-	42,813
Professional services				
Educational	150,670	-	-	150,670
Legal	-	38,241	-	38,241
Other	31,751	20,517	-	52,268
Printing and binding	102	26	-	128
Repairs and maintenance	124,000	9,334	-	133,334
Student transportation	306,225	-	-	306,225
Supplies				
Books	69,011	-	-	69,011
Other materials and supplies	55,356	95,788	272	151,416
Technology	33,620	-	-	33,620
Travel and conferences	78,928	3,198	-	82,126
Total expenses	<u>\$ 4,026,048</u>	<u>\$ 1,139,989</u>	<u>\$ 272</u>	<u>\$ 5,166,309</u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (100,317)	\$ 496,009
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	143,703	118,270
(Increase) decrease in operating assets:		
Accounts receivable:		
Grants	(38,236)	121,855
Prepaid expenses	12,213	(2,099)
Increase (decrease) in operating liabilities:		
Accounts payable	130,038	76,398
Accrued salaries and related expenses	(39,207)	43,422
Net cash provided by operating activities	\$ 108,194	\$ 853,855
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	\$ (157,932)	\$ (215,792)
Net cash provided by financing activities	\$ (157,932)	\$ (215,792)
 Net increase in cash and cash equivalents	\$ (49,738)	\$ 638,063
 Beginning cash and cash equivalents	\$ 1,208,098	\$ 570,035
 Ending cash and cash equivalents	\$ 1,158,360	\$ 1,208,098

See Notes to Financial Statements.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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 Louisiana's only open enrollment public high school to offer French and Spanish immersion programs and a full college preparatory curriculum. The School's mission is to foster a diverse community of learners through rigorous academic programs that promote an understanding of business, multi-cultural awareness, and foreign language fluency, while preparing our students to succeed in a global economy. The School is primarily supported by governmental and private grants.

For the year ended June 30, 2015, the School successfully completed the Third-Year Evaluation conducted by the Louisiana Board of Elementary and Secondary Education (BESE). 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 begin on July 1, 2015 and will terminate on June 30, 2021.

Basis of Accounting

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

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.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

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

Cash and Cash Equivalents (continued)

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. On May 11, 2015, the School's bank pledged securities in the amount of \$750,000 to secure the bank balance. As of June 30, 2016 and 2015, \$226,885 and \$229,929 were the amounts uninsured, respectively.

Receivables

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, 2016 and 2015.

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. 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

In accordance with Accounting Standards, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when earned under the terms of the grants.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

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

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not- For- Profit Entities. The School has classified its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions. At June 30, 2016 and 2015, the School did not have any permanently restricted net assets.

Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets - Support, revenues, and expenses for the general operation of the School.

Temporarily Restricted Net Assets - Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period.

Permanently Restricted Net Assets - Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by the School. Generally, the donors of these assets permit the School to use all or part of the income derived from the investment of these contributions.

Income Taxes

The School is a non-profit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The School is required to file Federal Form 990, Return of Organization Exempt from Income Tax. The School believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that require adjustment to the financial statements. The School's Federal Exempt Information Returns (form 990) for 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Expense Allocation

Functional expenses are allocated into two categories. These include program services and general and administrative services and are based upon actual use or management's best estimate.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

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

Advertising

The School expenses all advertising costs as incurred that are not direct-response. For the years ended June 30, 2016 and 2015, the School incurred and expensed advertising costs of \$77,305 and \$34,388, respectively.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following for the years ended June 30, 2016 and 2015:

	2016	2015
Leasehold improvements	\$ 547,636	\$ 547,636
Furniture and equipment	932,996	761,456
	1,480,632	1,309,092
Less accumulated depreciation	(538,026)	(394,323)
	\$ 942,606	\$ 914,769

Depreciation expense was \$143,703 and \$118,270 for the years ended June 30, 2016 and 2015, respectively.

NOTE 3. LINE OF CREDIT

The School maintains a line of credit for \$400,000 with a maturity date of November 15, 2016. The amount borrowed under this agreement bears an interest rate based upon an independent index of 3.25% plus 2% over the index. 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, 2016 and 2015.

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 \$38,882 and \$32,978 for the years ended June 30, 2016 and 2015, respectively.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 5. GRANTS

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 558 and 526 students enrolled for the school years ended June 30, 2016 and 2015, respectively. The School recognized revenue under this grant of \$5,366,074 and \$5,066,053, which is 89% of total revenue for the years ended June 30, 2016 and 2015.

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. The initial lease beginning on July 1, 2010 was extended for an additional term ending on June 30, 2015. Upon the School's successful completion of the Third-Year Evaluation, the RSD issued a new lease agreement for six years and shall begin on July 1, 2015 and 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.

NOTE 7. SUBSEQUENT EVENTS

The School has evaluated subsequent events through October 28, 2016, the date which the financial statements were available to be issued.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 8. RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

NOTE 9. CONTINGENCIES

The School is a defendant in litigation in which five teachers are alleging that their termination was due to discriminatory reasons. The School is vigorously defending the claims and uphold that the terminations were for legitimate non-discriminatory reasons. The management of the School estimates that the potential liability, if any, will be covered by the School's insurance carrier.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2016

Agency Head Name: Sean Wilson, Head of School

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 168,200
Benefits-insurance	5,748
Benefits-retirement	5,046
Reimbursements	3,560
Travel	2,190
Registration fees	3,795
Conference travel	16,774
	<u>\$ 205,313</u>

OTHER AUDITOR'S REPORTS



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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

NICHOLAS F. CHETTA, 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**

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

JAMES L. WHITE, C.P.A.

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, 2016 and 2015, 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 October 28, 2016 .

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Bernard & Franks

Metairie, Louisiana
October 28, 2016

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

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, 2016 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, 2016 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, 2016.

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, 2016

**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, 2015.

Compliance and Other Matters

FINDING 2015-01: NONCOMPLIANCE WITH LEASE AGREEMENT

Criteria

The School's lease to occupy the building states that the "lessee shall not make any changes, alterations, or installations to the Property, including but not limited to wiring, flooring, adding or deleting walls and/or partitions, even at Lessee's expense, without the express and prior written consent of the Lessor, subject to any reasonable conditions as Lessor may impose".

Condition

The School made significant alterations to the building it occupies. In the process of making the repairs, the School removed and sold copper wiring in the building. The School recognized \$8,358 in revenue and used for school operations for the year ended June 30, 2013.

Cause

Management did not adhere to the lease requirements when making alterations to the building according to the lease agreement.

Effect

The School made repairs and alterations to the facility it leases for administrative and program functions.

Recommendation

We recommend that the School maintain a copy of the Recovery School District's Facility Maintenance Policies and Procedures and follow the proper procedures when making any repairs or alterations to the School.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)
JUNE 30, 2016

Section I – Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements (Continued)

Management's Response

The School has reviewed and filed a copy of the Recovery School District's Facility Maintenance Policies and Procedures. Management has stated that there is now an open line of communication with the Recovery School District when any repairs or replacements to the building are needed. The School now receives approval from the RSD on any and all repairs and replacements.

Section II - Internal Control and Compliance Material to Federal Awards

The School did not receive federal awards in excess of \$500,000 for the year ended June 30, 2015 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, 2015.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
MANAGEMENT'S CORRECTIVE ACION PLAN
JUNE 30, 2016**

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, 2016.

No significant deficiencies were reported during the audit of the financial statements for the year ended June 30, 2016.

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, 2016.

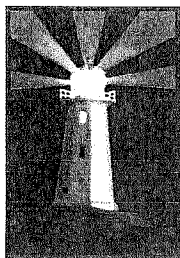
Section II - Internal Control and Compliance Material to Federal Awards

The Organization did not receive federal awards in excess of \$750,000 for the year ended June 30, 2016 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, 2016.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED
UPON PROCEDURES



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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

NICHOLAS F. CHETTA, C.P.A.

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

JAMES L. WHITE, C.P.A.

**AGREED-UPON PROCEDURES REPORT
ON SCHOOL BOARD PERFORMANCE MEASURES**
(New Orleans, Louisiana)
Independent Accountant's Report
on Applying Agreed-Upon Procedures
to the Board of Directors

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Voices for International Business and Education and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Voices for International Business and Education and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Management of Voices for International Business and Education is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures
 - Total Local Taxation Revenue
 - Total Local Earnings on Investment in Real Property
 - Total State Revenue in Lieu of Taxes
 - Nonpublic Textbook Revenue
 - Nonpublic Transportation Revenue

There were no differences noted.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

We found that there was one full-time classroom teacher on the October 1st supporting payroll records that was not on Schedule 4.

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

There were no differences noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual’s personnel file and determined if the individual’s education level was properly classified on the schedule.

There were no differences noted.

Number and Type of Public Schools (Schedule 3)

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

There were no differences noted.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

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

There were no differences noted.

Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

There were no differences noted.

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

There were no differences noted.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. 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.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Any Parish School Board.

This schedule is not applicable.

Graduation Exit Examination (GEE) (Schedule 8)

11. The Graduation Examination (GEE) is no longer administered. This schedule is no longer applicable.

iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Any Parish School Board.

This schedule is not applicable.

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

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

Bernard & Franks

October 28, 2016

Bernard & Franks, A Corporation of CPA's

Voices for International Business and Education
Metairie, Louisiana
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2016

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

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

Schedule 2 - Education Levels of Public School Staff

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

Schedule 3 - Number and Type of Public Schools

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

Schedule 4 - Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

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

Schedule 5 - Public School Staff Data: Average Salaries

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

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 3, 4, 5, 6, 7 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Voices for International Business and Education
Metairie, Louisiana
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2016
(Continued)

Schedule 8 - Graduation Exit Examination (GEE)

The Graduation Exit Examination (GEE) is no longer administered. This schedule is no longer applicable.

Schedule 9 –iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 4, 5, 6, 7 and 8 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

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, 2016**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,746,407	
Other Instructional Staff Activities	77,312	
Instructional Staff Employee Benefits	343,405	
Purchased Professional and Technical Services	130,975	
Instructional Materials and Supplies	305,754	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$2,603,853
Other Instructional Activities		63,628
Pupil Support Activities	445,632	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	445,632
Instructional Staff Services	139,674	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	139,674
School Administration		
Less: Equipment for School Administration	1,214,273	
Net School Administration	-	1,214,273
Total General Fund Instructional Expenditures		\$ 4,467,060
Total General Fund Equipment Expenditures		-

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Education Levels of Public School Staff
As of October 1, 2015

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	12	60%	8	50%	-	-	-	-
Master's Degree	7	35%	6	38%	-	-	1	100%
Master's Degree + 30	-	-	-	-	-	-	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	1	5%	2	13%	-	-	-	-
Total	20	100%	16	100%	-	-	1	100%

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2016

Type	Number
Elementary	
Middle/Jr. High	
Secondary	1
Combination	
Total	

Note: Schools opened or closed during the fiscal year are included in this schedule.

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2015

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	-	-	-	-	-	-
Principals	-	-	-	-	1	-	-	1
Classroom Teachers	2	9	17	3	2	-	3	36
Total	2	9	17	3	3	-	3	37

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2016

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$48,098	\$48,098
Average Classroom Teachers' Salary Excluding Extra Compensation	\$47,407	\$47,407
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	36	36

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Class Size Characteristics
As of October 1, 2015

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	45%	95	42%	89	13%	28		
High Activity Classes	35%	7	15%	3	50%	10		
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.

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2016

This schedule is not applicable to the School.

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2016

The Graduation Exit Examination is no longer administered.
This schedule is no longer applicable.

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

iLEAP Tests
For the Year Ended June 30, 2016

This schedule is not applicable to the School.