

**VOICES FOR INTERNATIONAL BUSINESS
AND EDUCATION**

FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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, 2017 and 2016, 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, 2017 and 2016, 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 November 27, 2017, 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

November 27, 2017

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

ASSETS	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,097,316	\$ 1,158,360
Receivables		
Grants	11,133	48,730
Prepaid insurance	2,110	1,544
Other prepaids	31,323	-
Total current assets	<u>\$ 1,141,882</u>	<u>\$ 1,208,634</u>
PROPERTY AND EQUIPMENT	\$ 1,601,494	\$ 1,467,024
Less accumulated depreciation	(695,280)	(538,026)
Total property and equipment	<u>\$ 906,214</u>	<u>\$ 928,998</u>
Total assets	<u><u>\$ 2,048,096</u></u>	<u><u>\$ 2,137,632</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 176,327	\$ 247,303
Accrued salaries and related expenses	168,898	121,508
Total current liabilities	<u>\$ 345,225</u>	<u>\$ 368,811</u>
 NET ASSETS		
Unrestricted	\$ 1,702,871	\$ 1,768,821
Total net assets	<u>\$ 1,702,871</u>	<u>\$ 1,768,821</u>
Total liabilities and net assets	<u><u>\$ 2,048,096</u></u>	<u><u>\$ 2,137,632</u></u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
REVENUE, GAINS, AND OTHER SUPPORT		
Grants:		
State	\$ 5,474,483	\$ 5,366,074
Federal	572,088	465,225
Contributions	47,443	80,778
Interest	7,508	9,787
Other	190,093	113,825
	<u> </u>	<u> </u>
Total revenues, gains and other support	\$ 6,291,615	\$ 6,035,689
	<u> </u>	<u> </u>
EXPENSES		
Program services	\$ 4,666,810	\$ 4,867,933
Supporting services		
General and administrative	1,690,755	1,260,182
Fund raising	-	7,891
	<u> </u>	<u> </u>
Total expenses	\$ 6,357,565	\$ 6,136,006
	<u> </u>	<u> </u>
Increase (decrease) in net assets	\$ (65,950)	\$ (100,317)
NET ASSETS AT BEGINNING OF YEAR	<u>1,768,821</u>	<u>1,869,138</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,702,871</u></u>	<u><u>\$ 1,768,821</u></u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

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

	<u>Program Service</u>			
	<u>Education Program</u>	<u>General and Administrative</u>	<u>Fund-raising</u>	<u>Total</u>
Salaries and related expenses				
Salaries	\$ 2,803,160	\$ 899,068	\$ -	\$ 3,702,228
Employee benefits	336,849	106,373	-	443,222
Payroll taxes	218,380	68,962	-	287,342
Total salaries and related expenses	<u>\$ 3,358,389</u>	<u>\$ 1,074,403</u>	<u>\$ -</u>	<u>\$ 4,432,792</u>
Accounting	\$ -	\$ 14,413	\$ -	\$ 14,413
Advertising	31,752	10,584	-	42,336
Communications	26,142	6,535	-	32,677
Equipment rental and lease	27,821	9,274	-	37,095
Depreciation	-	157,254	-	157,254
Dues and fees	23,663	23,663	-	47,326
Food service management	-	-	-	-
Insurance	94,929	7,145	-	102,074
Miscellaneous	96,945	42,600	-	139,545
Occupancy	56,370	4,243	-	60,613
Professional services				
Educational	66,874	-	-	66,874
Legal	-	238,290	-	238,290
Other	213,810	29,886	-	243,696
Printing and binding	-	2,327	-	2,327
Repairs and maintenance	34,420	2,591	-	37,011
Student transportation	389,580	-	-	389,580
Supplies				
Books	9,877	-	-	9,877
Other materials and supplies	130,852	43,617	-	174,469
Technology	9,667	-	-	9,667
Travel and conferences	95,719	23,930	-	119,649
Total expenses	<u>\$ 4,666,810</u>	<u>\$ 1,690,755</u>	<u>\$ -</u>	<u>\$ 6,357,565</u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

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

	Program Service			
	Education Program	General and Administrative	Fund-raising	Total
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

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (65,950)	\$ (100,317)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	157,254	143,703
(Increase) decrease in operating assets:		
Accounts receivable:		
Grants	37,597	(38,236)
Prepaid expenses	(31,889)	12,213
Increase (decrease) in operating liabilities:		
Accounts payable	(70,976)	130,038
Accrued salaries and related expenses	47,390	(39,207)
Net cash provided by operating activities	\$ 73,426	\$ 108,194
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	\$ (134,470)	\$ (157,932)
Net cash provided by financing activities	\$ (134,470)	\$ (157,932)
 Net increase in cash and cash equivalents	\$ (61,044)	\$ (49,738)
 Beginning cash and cash equivalents	\$ 1,158,360	\$ 1,208,098
 Ending cash and cash equivalents	\$ 1,097,316	\$ 1,158,360

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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 an open enrollment public high school offering the international Baccalaureate Program and college preparatory curriculum. The schools mission is to educate and nurture a diverse learning community through the International Baccalaureate program, world languages and intercultural appreciation to succeed in 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, 2017 AND 2016

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. The School's bank pledged securities in the amount of \$1,250,000 to secure the bank balance.

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, 2017 and 2016.

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, 2017 AND 2016

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, 2017 and 2016, the School did not have any temporarily restricted or 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 2015, 2016 and 2017 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, 2017 AND 2016

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, 2017 and 2016, the School incurred and expensed advertising costs of \$42,336 and \$77,305, respectively.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following for the years ended June 30, 2017 and 2016:

	2017	2016
Leasehold improvements	\$ 547,636	\$ 547,636
Furniture and equipment	1,053,858	932,996
	1,601,494	1,480,632
Less accumulated depreciation	(695,280)	(538,026)
	\$ 906,214	\$ 942,606

Depreciation expense was \$157,254 and \$143,703 for the years ended June 30, 2017 and 2016, respectively.

NOTE 3. LINE OF CREDIT

The School maintains a line of credit for \$400,000 with a maturity date of October 4, 2018. The amount borrowed under this agreement bears an interest rate based upon an independent index of 4.25% plus 1.5% 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, Federal awards and depository accounts. The line of credit was unused for the years ended June 30, 2017 and 2016.

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 \$41,813 and \$38,882 for the years ended June 30, 2017 and 2016, respectively.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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 556 and 558 students enrolled for the school years ended June 30, 2017 and 2016, respectively. The School recognized revenue under this grant of \$5,474,483 and \$5,366,074, which is 87% and 89% of total revenue for the years ended June 30, 2017 and 2016, respectively.

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 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 November 27, 2017, the date which the financial statements were available to be issued.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017**

Agency Head Name: Sean Wilson, Head of School

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 168,000
Benefits-insurance	6,014
Benefits-retirement	5,040
Reimbursements	1,862
Registration fees	4,913
Conference travel	5,139
	<u>\$ 190,968</u>

OTHER AUDITOR'S REPORTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS JAMES L. WHITE, C.P.A.
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, 2017 and 2016, 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 27, 2017.

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*.

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 27, 2017

REPORTS BY MANAGEMENT

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2017

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, 2016.

Compliance and Other Matters

There were no findings regarding compliance and other matters 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 School 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.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
MANAGEMENT'S CORRECTIVE ACTION PLAN
JUNE 30, 2017**

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, 2017.

No significant deficiencies were reported during the audit of the financial statements for the year ended June 30, 2017.

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, 2017.

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, 2017 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, 2017.

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



**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.

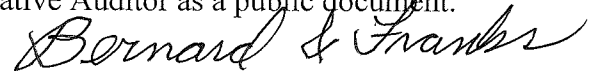
iLEAP Tests (Schedule 9)

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.

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

November 27, 2017

Bernard & Franks, A Corporation of CPA's

SCHEDULES REQUIRED BY THE STATE OF LOUISIANA
(R.S. 24:514 – PERFORMANCE AND STATISTICAL 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, 2017

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).

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, 2017
(Continued)

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.

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.

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, 2017

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,873,974	
Other Instructional Staff Activities	242,324	
Instructional Staff Employee Benefits	397,038	
Purchased Professional and Technical Services	52,169	
Instructional Materials and Supplies	183,694	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 2,749,199
Other Instructional Activities		64,375
Pupil Support Activities	510,390	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	510,390
Instructional Staff Services	89,609	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	89,609
School Administration		
Less: Equipment for School Administration	962,380	
Net School Administration	-	962,380
Total General Fund Instructional Expenditures		\$ 4,375,953
Total General Fund Equipment Expenditures		-

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Education Levels of Public School Staff
As of October 1, 2016

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	1	4%	-	-	-	-	-	-
Bachelor's Degree	12	48%	9	64%	-	-	-	-
Master's Degree	9	36%	4	29%	2	100%	-	-
Master's Degree + 30	-	-	-	-	-	-	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph. D. or Ed. D.	3	12%	1	7%	-	-	-	-
Total	25	100%	14	100%	2	100%	-	-

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2017

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, 2016

	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	-	2
Classroom Teachers	12	5	14	2	3	1	2	39
Total	12	5	14	3	3	2	2	41

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2017

Classroom Teachers
Excluding ROTC,
Rehired Retirees, and
Flagged Salary
Reductions

All Classroom
Teachers

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$46,660	\$46,660
Average Classroom Teachers' Salary Excluding Extra Compensation	\$44,117	\$44,117
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	46	46

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, 2016

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	51%	112	37%	81	11%	23	1%	2
High Activity Classes	38%	8	38%	8	19%	4	5%	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.

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

**Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2017**

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, 2017**

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

Schedule 9

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

**iLEAP Tests
For the Year Ended June 30, 2017**

This schedule is not applicable to the School.



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors
Voices for International Business and Enterprise
(doing business as International High School of New Orleans)
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Voices For International Business and Enterprise (doing business as International High School of New Orleans) (a nonprofit organization), and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Voices For International Business and Enterprise (doing business as International High School of New Orleans) compliance with certain laws, regulations and best practices during the fiscal year ended June 30, 2017. Management of Voices for International Business and Enterprise (doing business as International High School of New Orleans) is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this 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.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget:

Written policies and procedures were obtained from management and the written policies and procedures address the preparation, adoption, monitoring and amendment of the budget.

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

Written policies and procedures were obtained and the policies do address the initiation of purchases. Under the written policies any teacher or administrator can request material or services to be purchased. The Requisitioner must complete a purchase order form to initiate the purchase function. The purchase order requires the approval of the Assistant Principal and Dean of Culture for purchases up to \$500. Purchases between \$500 and \$1,000 require the Principal, Directors or the Chief of Staff approval. Purchases over \$1,000 require the approval of the Head of School. The Purchase Order form also services as the receiving report for the receipt of materials or services. The written policies and procedures do not reference the function of how vendors are added to the vendor list noted above as (2).

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

Written policies and procedures include a process that routes vendor invoices, to approvers and the accounting. Vendor invoices are matched to approved purchase orders. The purchase package is approved by the Director of Finance. Checks require two signatures. For checks less than \$5,000 authorized signatories are the Head of School and Director of Finance. Checks over \$5,000 require the signature of the Head of School and a member of the Board of Directors.

- d) **Receipts**, including receiving, recording, and preparing deposits:

Written policies and procedures were obtained and do address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked:

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above. The School maintains a contract policy that requires all contracts to be approved by the Head of School. Corporate attorney can review contracts at the discretion of the Head of School. The policy requires state of Louisiana bid law be followed when the contract meets such State requirements.

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

Written policies and procedures were obtained and do address the functions noted above. Credit cards are issued to the Head of School, Principals, Director of Finance, Director of Facilities, Director of Student Service and Chief of Staff. The policies require that receipts be provided for each transaction in which the credit card is used for payment. The documentation must clearly state the purpose of the expenditure.

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

Written policies and procedures were obtained and do address the functions noted above. The policies require that all travel be approved and expenses connected with travel be supported by proper supporting documents. Expense incurred must be directly related to the mission of the School and must be supported by proper documentation.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits:

The entity is a nonprofit organization, therefore, the ethics agree-upon procedures do not apply.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements: The entity is a nonprofit; therefore, not applicable.

The entity is a nonprofit organization; therefore, the debt service agree-upon procedures do not apply.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a. Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document:

We obtained and reviewed minutes of the managing board/committee for the fiscal period noting that the full board met monthly with a quorum present in accordance with the entity's policy.

- b. Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis):

Minutes include monthly budget-to-actual comparisons for the Unrestricted and Restricted net assets of the Organization (the entity is a nonprofit organization). We obtained and reviewed the monthly minutes and determined that the minute reporting package included a budget-to-actual comparison for general and administrative and program departments.

- c. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan:

Deficit spending was not noted during the fiscal period.

- d. Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.):

The minutes do reference non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete:

We obtained a listing of all client bank accounts from management and management provided us representation that the listing was complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared:

Bank reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and:

The bank reconciliations provided evidence of management's review of the bank reconciliations for each month were noted.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period:

Bank reconciliations for the operating account listed five (5) checks totaling \$134.28 that were outstanding for more than six months. Management had research and details regarding reconciling items that were over six months old.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete:

We obtained a listing of cash collection locations and management provided representation that the listing is complete. The School has one location. Cash receipts are collected at the Administrative Office.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee:

The Office Manager located in the Administrative Office is responsible for collecting cash from the customers. The Office Manager meets together with the Staff Accountant on a daily basis and reconciles the receipt book with the cash receipts received for the day. The Office Manager does not record or deposit the cash in the bank. The Office Manager does not share the cash drawer with any other employee. Documentation was provided that employees responsible for cash collections are insured.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected:

Written documentation was obtained and it was noted that the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers by a person who is not responsible for cash collections.

Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- > Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location:

We reviewed the general ledger and selected the deposit made on August 16, 2016. This was the largest deposit made from student fees collections for the fiscal year. The deposit totaled \$5,495 and was deposited by an individual not responsible for cash collections.

The School deposited the collections in eight days per the bank deposit date. The School deposits cash receipts on a weekly basis.

- > Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions:

Daily cash collections selected were completely supported by documentation. The School has a special Receipt Form (organized in a receipt book) that is used for documenting cash receipts from students or parents. The form is designed as a booklet with three parts. The first part of the carbonized form is white and is retained with the daily deposit information. The second part which is green is given to the parent/ student as their receipt and the third form (pink) remains in the booklet. Each receipt is given a numerical sequence. The selected deposit was supported by the numerical sequenced receipts, the bank deposit slips, the entry into the general ledger and the bank deposit.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections: Written documentation was obtained and it was noted that the functions addressed above were implemented in accordance with policy.

We obtained the Organization's policy on cash collections and determined there is a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Disbursements – General (excluding credit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete:

We obtained a listing of disbursements from the accounting software and management provided us with a representation that the listing was complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/Pcard purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system:

We examined supporting documentation for each of the disbursements selected and noted that purchases were initiated using a purchase order system.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase:

We examined the supporting documentation for each of the disbursements selected and noted appropriate approval of purchase orders by a person who did not initiate the transaction.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice:

We examined the supporting documentation for each of the disbursements selected and noted appropriate purchase order, receiving report, and approved invoice.

- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system:

Written policies and procedures provided do not address the function of adding vendors to the entity's purchasing/disbursement system. The staff accountant adds vendors to the accounting system and processes payments to vendors. After checks are prepared the Senior Accountant reviews the entities in the accounting system and the supporting documentation. The Senior Accountant initials the purchase as evidence of the review. The Director of Finance performs a final review of the entries and supporting documents. The package is often routed to the Head of School for final approval.

- 11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases:

Written policies and procedures provided do address the separation of signatory authority from initiating or recording of purchase.

- 12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks:

The supply of unused checks is maintained in a locked location, with restricted access from those persons with signatory authority.

- 13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks

are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions:

The entity does not utilize a signature stamp or signature machine.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

We obtained a list of all active credit cards including card numbers and names of individuals who maintained possession of the cards from the Director of Finance. No P-cards or other card methods were in use by the Organization. We obtained representations that the listing was complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner:

We selected one-third of the credit cards from the list to perform the agreed-upon procedures.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.):

We obtained the monthly statements and selected the statement with the largest dollar activity for each credit card. Each credit card statement was authorized and approved by the Head of School and Director of Finance.

- b) Report whether finance charges and/or late fees were assessed on the selected statements:

There were/were no finance fees or late charges on the statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing):

- a) For each transaction, report whether the transaction is supported by:

- > An original itemized receipt (i.e., identifies precisely what was purchased):

We obtained and reviewed the itemized receipts for each transaction on the selected credit card statements. An original itemized receipt was examined for each transaction that identified what was purchased.

- > Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating:

For each transaction selected the business purpose was documented. Meal documentation included the itemized receipt, business purpose and individuals participating in the business meal.

- > Other documentation that may be required by written policy (e.g., purchase order, written authorization.):

Documentation for the transactions included in the sample was in accordance with the written policy of the Organization.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions:

For each transaction included in the sample, we compared the transaction's detail to the Organization's written purchasing/disbursement policies and the Louisiana Public Bid Law.

No exceptions were noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception:

We did not have any transactions subject to Article 7, Section 14 of the Louisiana Constitution. There were no exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete:

We obtained the listing of travel and expense reimbursements by person from the general ledger system. Management provided representations that the listing was complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates:

Written policies and procedures were obtained from management and no amounts listed in the policies regarding travel and expense reimbursements exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have

written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates:

Travel and expenses reimbursements for the individuals selected in accordance with 19 above were paid in accordance with written policies and procedures of the Organization.

b) Report whether each expense is supported by:

- > An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]:

Expenses included in the sample for categories reimbursed in accordance with established per diem amount was properly documented and was reimbursed at the established rates.

- > Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating):

Documentation of business purpose was noted for each expense reimbursement selected for testing.

- > Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance):

Documentation required by written policies and procedures was noted for each expense reimbursement selected in accordance with sample selection noted in 19 above.

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception:

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement:

Each expense reimbursement selected was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete:

Obtained listing of all contracts in effect and management provided representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid:

A formal/written contract supporting the service arrangements and the amount paid was noted for the vendors selected in accordance with procedure 21 above.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- > If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder):

Contracts selected complied with all legal requirements per the Louisiana Public Bid Law or Procurement Code.

- > If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice:

The contracts were for amounts below bid law requirements and/or were not for public works or supplies and materials.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment:

Contract selected were not amended.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract:

The invoices and related payments selected complied with the terms and conditions of the contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter):

We obtained documentation of board approval for selected contracts as required by policy.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

We obtained a listing of employees with their related salaries. Management provided representations that the listing was complete.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure:

Each employee selected was paid in accordance with the terms and conditions of the employment contract or pay rate structure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy:

Changes made to hourly pay rates/salaries during the fiscal period were documented with a status change form. The form was properly signed by Head of Department and Head of School. Two instances of pay changes occurred for the twenty-five employees sampled.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

Leave records are maintained in an excel spreadsheet (sheet for each employee). Leave hours are included in each annual employee contract. We obtained attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period we randomly selected 25 employees/officials and we agreed the leave accrual per the employee contract to the spreadsheet for the employee.

All selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory) by a time sheet for the payroll period selected. We examined the time sheet for each employee selected.

No exceptions were noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials:

Documentation of supervisor approval for attendance and leave was noted for each selected employee.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave:

Documentation of written leave records were maintained for the employees selected.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management:

We obtained a signed list of terminated employees that were terminated during the fiscal year from the Director of Finance. We selected the two largest terminated payments and insured the payments were made in strict accordance with policy and were approved by the Executive Director.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines:

We obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period. Payroll taxes and retirement contributions are maintained by the payroll preparation service. The employment taxes, employee withholdings and retirement contributions were drafted timely by the payroll preparation service for each payroll period. No exceptions were noted.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed:

The entity is a nonprofit organization; therefore, this item is not applicable.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy:

The entity is a nonprofit; therefore, this item is not applicable. Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained:

The entity is a nonprofit organization; therefore, this item is not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants:

The entity is a nonprofit organization; therefore, this item is not applicable.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off:

The entity is a nonprofit organization; therefore, this item is not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled:

Management has asserted that the entity did not have any misappropriations of public funds or assets during the reporting period.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds:

The required notices are not posted on the entity's premises and website.

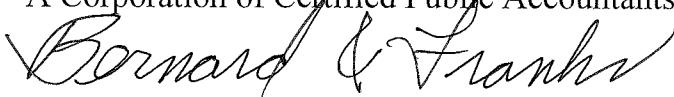
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception:

Management provided accurate representations regarding the procedures included in this report.

Conclusion

We were not engaged to perform, and did not perform, an audit, 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 Voices For International Business and Enterprise (doing business as International High School of New Orleans), 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
A Corporation of Certified Public Accountants



Metairie, Louisiana
November 27, 2017