

**VOICES FOR INTERNATIONAL BUSINESS
AND EDUCATION**

FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

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, 2018 and 2017, 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, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018, 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

December 3, 2018

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

ASSETS	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,003,950	\$ 1,097,316
Receivables		
Grants	35,901	11,133
Prepaid Insurance	50,000	2,110
Prepaid Other	68,460	31,323
Total current assets	<u>\$ 1,158,311</u>	<u>\$ 1,141,882</u>
PROPERTY AND EQUIPMENT	\$ 1,677,708	\$ 1,601,494
Less accumulated depreciation	<u>(839,733)</u>	<u>(695,280)</u>
Total property and equipment	<u>\$ 837,975</u>	<u>\$ 906,214</u>
Total assets	<u><u>\$ 1,996,286</u></u>	<u><u>\$ 2,048,096</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 129,386	\$ 176,327
Accrued salaries and benefits	194,836	168,898
Total current liabilities	<u>\$ 324,222</u>	<u>\$ 345,225</u>
 NET ASSETS		
Unrestricted	\$ 1,672,064	\$ 1,702,871
Total net assets	<u>\$ 1,672,064</u>	<u>\$ 1,702,871</u>
Total liabilities and net assets	<u><u>\$ 1,996,286</u></u>	<u><u>\$ 2,048,096</u></u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
REVENUE, GAINS, AND OTHER SUPPORT		
Grants:		
State	\$ 5,402,787	\$ 5,474,483
Federal	653,143	572,088
Contributions	57,528	47,443
Interest	6,854	7,508
Other	155,997	190,093
	<u> </u>	<u> </u>
Total revenues, gains and other support	<u>\$ 6,276,309</u>	<u>\$ 6,291,615</u>
EXPENSES		
Program services	\$ 4,647,596	\$ 4,666,810
Supporting services		
General and administrative	1,620,736	1,690,755
Fund raising	38,784	-
	<u> </u>	<u> </u>
Total expenses	<u>\$ 6,307,116</u>	<u>\$ 6,357,565</u>
Increase (decrease) in net assets	\$ (30,807)	\$ (65,950)
NET ASSETS AT BEGINNING OF YEAR	<u>1,702,871</u>	<u>1,768,821</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,672,064</u></u>	<u><u>\$ 1,702,871</u></u>

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

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

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

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**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
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

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (30,807)	\$ (65,950)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	144,453	157,254
(Increase) decrease in operating assets:		
Accounts receivable:		
Grants	(24,768)	37,597
Prepaid expenses	(85,027)	(31,889)
Increase (decrease) in operating liabilities:		
Accounts payable	(46,943)	(70,976)
Accrued salaries and benefits	25,939	47,390
Net cash provided by operating activities	\$ (17,153)	\$ 73,426
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	\$ (76,214)	\$ (134,470)
Net cash provided by financing activities	\$ (76,214)	\$ (134,470)
 Net increase in cash and cash equivalents	\$ (93,367)	\$ (61,044)
 Beginning cash and cash equivalents	\$ 1,097,316	\$ 1,158,360
 Ending cash and cash equivalents	\$ 1,003,949	\$ 1,097,316

See Notes to Financial Statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

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, 2018 AND 2017

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

Receivables consist of grant receivable. 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, 2018 and 2017.

Property and Equipment

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

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

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

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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

Revenue Recognition

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.

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, 2018 and 2017, 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 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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

Functional Allocation of Expense

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.

Advertising

The School expenses all advertising costs as incurred that are not direct-response. For the years ended June 30, 2018 and 2017, the School incurred and expensed advertising costs of \$53,299 and \$42,336, respectively.

Pending Accounting Pronouncements

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not for-Profit Entities, which simplifies and improves how a nonprofit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, net assets with donor restrictions and net assets without donor restrictions, and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017, with early adoption permitted.

Management is currently evaluating the impact the adoption of this guidance will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (*Topic 842*), which requires that lessees to recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. The ASU is effective for the Organization for the year ending December 31, 2019. The adoption of this standard is expected to result in the Organization's recognizing right-of-use assets and lease liabilities for some leases currently accounted for as operating leases under the legacy lease accounting guidance. Management is evaluating the impact of this standard on the Organization's financial statements.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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

Pending Accounting Pronouncement) (Continued)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following for the years ended June 30, 2018 and 2017:

	2018	2017
Leasehold improvements	\$ 547,636	\$ 547,636
Furniture and equipment	1,130,072	1,053,858
	1,677,708	1,601,494
Less accumulated depreciation	(839,733)	(695,280)
	\$ 837,975	\$ 906,214

Depreciation expense was \$144,471 and \$157,254 for the years ended June 30, 2018 and 2017, respectively.

NOTE 3. LINE OF CREDIT

The School maintains a line of credit for \$400,000 with a maturity date of October 4, 2018, which has variable nondisclosable rate. 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, 2018 and 2017.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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 \$49,583 and \$41,813 for the years ended June 30, 2018 and 2017, respectively.

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, 2018 and 2017, respectively. The School recognized revenue under this grant of \$5,402,787 and \$5,474,483, which is 86% of total revenue for the years ended June 30, 2018 and 2017.

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.

VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 7. SUBSEQUENT EVENTS

The School has evaluated subsequent events through December 3, 2018, the date which the financial statements were available to be issued.

NOTE 8. CONTINGENCIES

Labor actions were filed by a union against the School with the National Labor Relations Board (NLRB) in connection with the union's campaign to represent teachers for purposes of collective bargaining.

One action alleges that the School did not negotiate a collective bargaining agreement with the union. The School is contesting the charge on grounds that the NLRB lacks jurisdiction over the School and therefore has no obligation to negotiate with the union. If the union ultimately prevails, the School will be ordered to bargain with the union but no financial liability is anticipated. The School is vigorously defending itself against the charge.

A second action concerns the School's adoption of an employee handbook without negotiating the handbook with the union. The School's position is that the Labor Board lacks jurisdiction and therefore has no obligation to negotiate with the union. If the union prevails the school will be required to negotiate the handbook with the union. The School is vigorously defending itself against the charge. Financial effects of the actions, if any, cannot be estimated at this time.

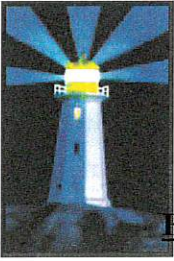
VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018**

Agency Head Name: Sean Wilson, Head of School

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 168,200
Bonus	30,000
Benefits-insurance	5,748
Benefits-retirement	5,046
Reimbursements	3,560
Travel	2,190
Registration fees	3,795
Conference travel	16,774
	<u>\$ 235,313</u>

OTHER AUDITOR'S REPORTS



BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

JAMES L. WHITE, C.P.A.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Voices for International Business and Education (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, 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 December 3, 2018 .

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 & Frank

Metairie, Louisiana
December 3, 2018

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

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, 2018 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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

Internal Control over Financial Reporting

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

Compliance and Other Matters

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

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2018**

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

Internal Control over Financial Reporting

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

Compliance and Other Matters

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

Section II - Internal Control and Compliance Material to Federal Awards

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

Section III - Management Letter

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

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION
MANAGEMENT'S CORRECTIVE ACION PLAN
JUNE 30, 2018**

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, 2018.

No significant deficiencies were reported during the audit of the financial statements for the year ended June 30, 2018.

Compliance and Other Matters

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

Section II - Internal Control and Compliance Material to Federal Awards

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

Section III - Management Letter

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

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



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

Independent Accountant's Report
On Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Voices for International Business and Education (the Charter School); the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Charter School for the fiscal year ended June 30, 2018; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) in compliance with Louisiana Revised Statute 24:514 I. Management of the Charter School is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

There were no differences noted.

Class Size Characteristics (Schedule 2)

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

There were no differences noted.

Education Levels of Public School Staff (NO SCHEDULE)

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

There were no differences noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

There were no differences noted.

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

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

purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Bernard & Franks

Bernard & Franks, A Corporation of CPA's
Metairie, Louisiana
December 3, 2018

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, 2018**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 1,490,484	
Other Instructional Staff Activities	313,069	
Instructional Staff Employee Benefits	399,144	
Purchased Professional and Technical Services	259,230	
Instructional Materials and Supplies	184,627	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 2,646,554
Other Instructional Activities		44,456
Pupil Support Activities	576,992	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	576,992
Instructional Staff Services	77,639	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	77,639
School Administration		
Less: Equipment for School Administration	983,177	
Net School Administration	-	983,177
Total General Fund Instructional Expenditures (Total Column B)		\$ 4,328,818
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$ -

VOICES OF INTERNATIONAL BUSINESS AND EDUCATION
New Orleans, Louisiana

Class Size Characteristics
As of October 1, 2017

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	56%	137	26%	63	9%	23		
High Activity Classes	4%	9	2%	5	3%	7		
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.



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING STATEWIDE AGREED-UPON PROCEDURES**

The Board of Directors of
Voices for International Business and Education
(doing business as International High School of New Orleans) and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Voices For International Business and Education (doing business as International High School of New Orleans) (a nonprofit organization), and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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.

The procedure and associated findings are as follows:

Other

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

The required notices are posted on the Entity's website and premises.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

BERNARD & FRANKS
A Corporation of Certified Public Accountants

Bernard & Franks

Metairie, Louisiana
December 3, 2018