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VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-8-04

CASCIO, DAVIS & SCHMIDT, LLP
Certified Public Accountants

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

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MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Vietnamese Initiatives in Economic Training

We have audited the accompanying statement of financial position of Vietnamese Initiatives in Economic Training (a nonprofit corporation) as of December 31, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The summarized comparative information has been derived from the Corporation's financial statements for the 15 months ended December 31, 2002 and in our report dated May 29, 2003, we expressed an unqualified report on these financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vietnamese Initiatives in Economic Training as of December 31, 2003, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2004, on our consideration of Vietnamese Initiatives in Economic Training's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying combined statement of activities on pages 10 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Cascio, Davis & Schmidt, LLP.

Metairie, Louisiana
June 15, 2004

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF FINANCIAL POSITION

December 31, 2003

		<u>Memorandum Only</u> <u>December 31, 2002</u>
ASSETS		
Cash	\$ 3,777	\$ 10,647
Grants receivable (Note B)	<u>23,290</u>	<u>11,472</u>
Total assets	<u>\$ 27,067</u>	<u>\$ 22,119</u>
 LIABILITIES		
Accounts payable	\$ <u>421</u>	\$ <u>2,878</u>
Total liabilities	421	2,878
 NET ASSETS (Note A)		
Unrestricted	22,138	4,512
Temporarily restricted	<u>4,508</u>	<u>14,729</u>
Total Net Assets	<u>26,646</u>	<u>19,241</u>
Total liabilities and net assets	<u>\$ 27,067</u>	<u>\$ 22,119</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF ACTIVITIES

Year ended December 31, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total Memorandum Only</u>	
			<u>Year ended December 31, 2003</u>	<u>15 months ended December 31, 2002</u>
REVENUES				
Grants	\$ -	\$ 212,793	\$ 212,793	\$ 107,406
Contributions	10,067	2,000	12,067	7,979
Fund raising	14,077	-	14,077	14,455
Program fees	3,271	-	3,271	-
Other	3,066	-	3,066	280
Net assets released from restriction	<u>225,014</u>	<u>(225,014)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>255,495</u>	<u>(10,221)</u>	<u>245,274</u>	<u>130,120</u>
EXPENSES				
Personnel	120,900	-	120,900	47,968
Payroll taxes	9,561	-	9,561	2,940
Travel	5,937	-	5,937	2,307
Operating services	29,704	-	29,704	27,130
Operating supplies	26,327	-	26,327	14,293
Professional services	25,785	-	25,785	574
Fund raising	7,421	-	7,421	5,854
Contributions	2,440	-	2,440	1,348
Equipment	9,794	-	9,794	8,465
Total Expenses	<u>237,869</u>	<u>-</u>	<u>237,869</u>	<u>110,879</u>
INCREASE IN NET ASSETS	17,626	(10,221)	7,405	19,241
NET ASSETS, BEGINNING OF PERIOD	<u>4,512</u>	<u>14,729</u>	<u>19,241</u>	<u>-</u>
NET ASSETS, END OF PERIOD	\$ <u>22,138</u>	\$ <u>4,508</u>	\$ <u>26,646</u>	\$ <u>19,241</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF CASH FLOWS

Year ended December 31, 2003

		Memorandum Only
		<u>15 months ended December 31, 2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Grant revenue	\$ 200,975	\$ 95,934
Fund raising	14,077	14,455
Other	<u>18,404</u>	<u>8,259</u>
	233,456	118,648
Payments to employees and suppliers	<u>(240,326)</u>	<u>(108,001)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(6,870)</u>	10,647
CASH FLOWS FROM INVESTING ACTIVITIES:	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(6,870)</u>	10,647
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>10,647</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ <u><u>3,777</u></u>	\$ <u><u>10,647</u></u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Increase in net assets	\$ <u>7,405</u>	\$ <u>19,241</u>
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Increase in grants receivable	(11,818)	(11,472)
Increase (decrease) in accounts payable	<u>(2,457)</u>	<u>2,878</u>
	<u>(14,275)</u>	<u>(8,594)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(6,870)</u>	\$ <u>10,647</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follow.

1. Nature of Activities

Vietnamese Initiatives in Economic Training is a nonprofit Louisiana corporation established to assist members of the Vietnamese community to develop social, economic, recreational and educational programs, and in launching and successfully operating new business ventures. Operations began in October 2001.

2. Presentation of Financial Statements

The Corporation's financial statements are presented in accordance with the requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations." Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Revenue Recognition

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets and permanently restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

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

4. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2003

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

5. Property and Equipment

It is the policy of the corporation to capitalize all property and equipment with an acquisition cost in excess of \$5,000.

6. Advertising Expenses

Advertising expenses are expensed as incurred, and amounted to \$1,158 for the year.

7. Income Taxes

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

8. Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

9. Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

NOTE B - GRANTS RECEIVABLE

Grants receivable at December 31, 2003, are as follows:

Community Development Block Grant	\$ 10,474
Louisiana Department of Education	
After school Program	5,965
Even Start Family Literacy	<u>6,851</u>
	<u>\$ 23,290</u>

All receivables at December 31, 2003 are considered collectible, accordingly, an allowance for doubtful accounts is not presented.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2003

NOTE C - SCHEDULE OF FUNCTIONAL EXPENSES

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Personnel	\$ 120,900	\$ -	\$ -	\$ 120,900
Payroll taxes	9,561	-	-	9,561
Travel	3,846	2,091	-	5,937
Operating services	24,731	4,973	-	29,704
Operating supplies	26,273	54	-	26,327
Professional services	25,785	-	-	25,785
Fund raising expenses	-	-	7,421	7,421
Contributions	-	2,440	-	2,440
Equipment	9,735	59	-	9,794
Total	<u>\$ 220,831</u>	<u>\$ 9,617</u>	<u>\$ 7,421</u>	<u>\$ 237,869</u>

NOTE D - OPERATING LEASE COMMITMENT

The Corporation has an operating lease, for its program activities and administrative office expiring September 1, 2005. The lease is for \$1,000 monthly, however, the monthly payments are reduced for certain renovation costs paid by Vietnamese Initiatives in Economic Training. The total rental and renovation expenses for the year ended December 31, 2003 amounted to \$4,800.

NOTE E - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

NOTE F - ECONOMIC DEPENDENCY

The Corporation receives a substantial amount of its revenue from funds provided through governmental grants. The grant amounts are administered each year by the State of Louisiana and the City of New Orleans. If significant budget cuts are made at the State or City level, the amount of the funds the organization receives could be reduced significantly and have an adverse impact on its operation. At the time of completion of the examination of the Corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the organization will receive in the next fiscal year.

Approximately 86% of the corporation's support for the year was from governmental grants.

SUPPLEMENTAL INFORMATION

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

COMBINED STATEMENT OF ACTIVITIES

Year ended December 31, 2003

	Community Development Block Grant	Even Start Family Literacy	After School Program	Adult Literacy	Teen Pregnancy Prevention
REVENUE					
Grant appropriations	\$ 25,000	\$ 30,091	\$ 69,747	\$ 45,809	\$ 40,167
Contributions	-	-	-	-	-
Fund raising	-	-	-	-	-
Program fees	-	-	-	-	-
Other	-	-	-	-	-
Total Revenue	<u>25,000</u>	<u>30,091</u>	<u>69,747</u>	<u>45,809</u>	<u>40,167</u>
EXPENSES					
Personnel	12,944	27,078	36,183	31,675	9,134
Payroll taxes	1,191	2,491	1,858	2,822	840
Travel	1,232	280	656	593	602
Operating services	3,729	-	8,863	4,282	5,125
Operating supplies	2,759	242	10,326	4,065	6,983
Professional services	-	-	6,346	5,016	14,423
Fund raising expenses	-	-	-	-	-
Contributions	-	-	-	-	-
Equipment	<u>3,145</u>	<u>-</u>	<u>400</u>	<u>613</u>	<u>3,060</u>
Total expenses	<u>25,000</u>	<u>30,091</u>	<u>64,632</u>	<u>49,066</u>	<u>40,167</u>
INCREASE (DECREASE) IN NET ASSETS	-	-	5,115	(3,257)	-
TRANSFERS TO/FROM GENERAL	-	-	(5,115)	-	-
NET ASSETS, BEGINNING OF PERIOD	-	-	-	3,257	-
NET ASSETS, END OF PERIOD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**VIETNAMESE INITIATIVES IN ECONOMIC TRAINING
COMBINED STATEMENT OF ACTIVITIES - Continued**

Year ended December 31, 2003

	<u>Wisner Grant</u>	<u>Out-of-Time Collaborative</u>	<u>LA Stadium & Exposition District</u>	<u>General and Administrative</u>	<u>Total</u>
REVENUE					
Grant appropriations	\$ -	-	\$ 1,979	-	\$ 212,793
Contributions	-	5,000	-	7,067	12,067
Fund raising	-	-	-	14,077	14,077
Program fees	-	-	-	3,271	3,271
Other	-	-	-	3,066	3,066
Total Revenue	<u>-</u>	<u>5,000</u>	<u>1,979</u>	<u>27,481</u>	<u>245,274</u>
EXPENSES					
Personnel	1,886	-	2,000	-	120,900
Payroll taxes	174	-	185	-	9,561
Travel	417	-	66	2,091	5,937
Operating services	1,853	-	879	4,973	29,704
Operating supplies	-	492	1,406	54	26,327
Professional services	-	-	-	-	25,785
Fund raising expenses	-	-	-	7,421	7,421
Contributions	-	-	-	2,440	2,440
Equipment	<u>74</u>	<u>-</u>	<u>2,443</u>	<u>59</u>	<u>9,794</u>
Total expenses	<u>4,404</u>	<u>492</u>	<u>6,979</u>	<u>17,038</u>	<u>237,869</u>
INCREASE (DECREASE) IN NET ASSETS	(4,404)	4,508	(5,000)	10,443	7,405
TRANSFERS TO/FROM GENERAL	-	-	-	5,115	-
NET ASSETS, BEGINNING OF PERIOD	<u>4,404</u>	<u>-</u>	<u>5,000</u>	<u>6,580</u>	<u>19,241</u>
NET ASSETS, END OF PERIOD	<u>\$ -</u>	<u>\$ 4,508</u>	<u>\$ -</u>	<u>\$ 22,138</u>	<u>\$ 26,646</u>

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Vietnamese Initiatives in Economic Training

We have audited the financial statements of Vietnamese Initiatives in Economic Training (a nonprofit corporation) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 15, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Vietnamese Initiatives in Economic Training's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Vietnamese Initiatives in Economic Training's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management, Louisiana Legislative Auditor, others within the organization, and 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.

Cassio, Davis + Schmidt, LLP.

Metairie, Louisiana
June 15, 2004

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2003

AUDIT FINDINGS

There were no findings for the current year or the prior year.

QUESTIONED COSTS

There were no questioned costs.

MANAGEMENT LETTER

A management letter was not issued for the year ended December 31, 2003.