

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

December 31, 2017

**CASCIO & SCHMIDT, LLC
Certified Public Accountants**

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

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

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Vietnamese Initiatives in Economic Training

Report on the Financial Statements

We have audited the accompanying financial statements of Vietnamese Initiatives in Economic Training (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year 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 audit. 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 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 Vietnamese Initiatives in Economic Training as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Vietnamese Initiatives in Economic Training's 2016 financial statements, and our report dated June 12, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental combined statement of activities on pages 12, 13 and 14, and the schedule of compensation, benefits and other payments to agency head on page 15, are presented for the purpose of additional analysis and are 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 September 28, 2018, on our consideration of Vietnamese Initiatives in Economic Training'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 Vietnamese Initiatives in Economic Training's internal control over financial reporting and compliance.

Cassio + Schmidt, LLP.

Metairie, Louisiana
September 28, 2018

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF FINANCIAL POSITION

December 31, 2017

		<u>Summarized Comparative Information December 31, 2016</u>
ASSETS		
Cash	\$ 37,536	\$ 39,201
Grants receivable (Notes A5 and B)	<u>74,047</u>	<u>88,785</u>
Total current assets	<u>111,583</u>	<u>127,986</u>
PROPERTY AND EQUIPMENT (Note A-6)		
Equipment	17,500	17,500
Less accumulated depreciation	<u>5,000</u>	<u>2,500</u>
	12,500	15,000
OTHER ASSETS		
Deposits	<u>1,500</u>	<u>1,500</u>
Total assets	<u>\$ 125,583</u>	<u>\$ 144,486</u>
LIABILITIES		
Note payable (Note D)	\$ 49,666	\$ 77,899
Accounts payable	<u>9,184</u>	<u>10,500</u>
Total current liabilities	<u>58,850</u>	<u>88,399</u>
COMMITMENTS (Note G)	-	-
NET ASSETS		
Unrestricted	58,005	34,690
Temporarily restricted (Note C)	<u>8,728</u>	<u>21,397</u>
Total Net Assets	<u>66,733</u>	<u>56,087</u>
Total Liabilities and Net Assets	<u>\$ 125,583</u>	<u>\$ 144,486</u>

The accompanying notes are an integral part of this statement.

**VIETNAMESE INITIATIVES IN ECONOMIC TRAINING
STATEMENT OF ACTIVITIES**

Year ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Summarized Comparative Information Year ended December 31, 2016</u>
REVENUES				
Grants (Note B)	\$ -	\$ 379,073	\$ 379,073	\$ 382,788
Contributions	105,516	-	105,516	-
Program fees	17,579	-	17,579	20,703
Other	26,943	-	26,943	37,385
Net assets released from restriction	<u>391,742</u>	<u>(391,742)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>541,780</u>	<u>(12,669)</u>	<u>529,111</u>	<u>440,876</u>
EXPENSES				
Personnel	368,377	-	368,377	386,752
Operating services	16,440	-	16,440	14,217
Supplies, office	8,559	-	8,559	6,384
Supplies, program	29,222	-	29,222	30,803
Professional services	23,050	-	23,050	22,627
Meeting/training	2,194	-	2,194	3,394
Travel/transportation	9,654	-	9,654	16,186
Grounds/maintenance	3,810	-	3,810	7,216
Events/field trips	5,597	-	5,597	11,748
Depreciation	2,500	-	2,500	2,500
Equipment	1,596	-	1,596	698
Utilities	22,383	-	22,383	29,565
Occupancy	12,000	-	12,000	16,200
Direct assistance	11,250	-	11,250	-
Other	<u>1,833</u>	<u>-</u>	<u>1,833</u>	<u>-</u>
Total Expenses	<u>518,465</u>	<u>-</u>	<u>518,465</u>	<u>548,290</u>
Increase in Net Assets	23,315	(12,669)	10,646	(107,414)
Net Assets, Beginning of Year	<u>34,690</u>	<u>21,397</u>	<u>56,087</u>	<u>163,501</u>
Net Assets, End of Year	<u>\$ 58,005</u>	<u>\$ 8,728</u>	<u>\$ 66,733</u>	<u>\$ 56,087</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF CASH FLOWS

Year ended December 31, 2017

		<u>Summarized Comparative Information</u> Year ended December 31, 2016
Cash Flows from Operating Activities		
Grant revenue	\$ 393,811	\$ 366,188
Other	<u>150,038</u>	<u>58,088</u>
	543,849	424,276
Payments to employees and suppliers	(513,751)	(534,437)
Interest expense	<u>(3,530)</u>	<u>(853)</u>
Net Cash Provided (Used) by Operating Activities	26,568	(111,014)
Cash Flows from Investing Activities		
Acquisition of equipment	<u>-</u>	<u>(17,500)</u>
Net Cash Provided by Investing Activities	-	(17,500)
Cash Flows from Financing Activities		
Line of credit draws	3,767	79,800
Line of credit payments	<u>(32,000)</u>	<u>(4,850)</u>
Net Cash Provided (Used) by Financing Activities	(28,233)	74,950
Net Increase (Decrease) in Cash and Cash Equivalents	(1,665)	(53,564)
Cash and Cash Equivalents at Beginning of Year	<u>39,201</u>	<u>92,765</u>
Cash and Cash Equivalents at End of Year	\$ <u>37,536</u>	\$ <u>39,201</u>
Reconciliation of Increase in Net Assets to Net Cash (Used) by Operating Activities		
Increase (decrease) in net assets	\$ 10,646	\$ (107,414)
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	2,500	2,500
(Increase) in receivables	14,738	(16,600)
Increase(decrease) in accounts payable	(1,316)	10,500
(Increase) in deposits	<u>-</u>	<u>-</u>
	<u>15,922</u>	<u>(3,600)</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>26,568</u>	\$ <u>(111,014)</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 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), Accounting Standards Codification (ASC) as set forth in FASB ASC 958. 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.

Unrestricted Net Assets - Net assets that are not subject to donor - imposed stipulations.

Temporarily Restricted Net Assets - Contributions and other revenue specifically authorized by the donor or grantor to be used for specific purposes. Net assets subject to donors imposed stipulations that may be met by actions of the Project and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time, nor can be fulfilled and removed by actions of the Corporation, pursuant to those stipulations. Generally, the donors of these assets permit the Project to use part of the income earned on related investments for general or specific purposes.

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.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

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.

5. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

6. Property and Equipment

Property and equipment purchased is recorded at cost. Donated assets are recorded at the estimated value at the time of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. It is the policy of the corporation to capitalize all property and equipment with an acquisition cost in excess of \$5,000. Depreciation expense for the year ended December 31, 2017 amounted to \$2,500.

7. Functional Allocation of Expenses

The expenses of providing the program and other activities have been summarized on a functional basis in Note F. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

8. 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.

9. 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.

10. 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.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

11. Subsequent Events

The Organization has evaluated subsequent events through September 28, 2018, the date which the financial statements were available to be issued.

12. Summarized Comparative Information

Prior year columns are captioned "Summarized Comparative Information" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted principles. Neither is such data comparable to a consolidation.

13. Recently Issued Accounting Standards

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities*, which significantly amends the standards for the presentation and accompanying disclosures of the financial statements. The amendments in ASU 2016-14 are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early adoption is permitted, however, the Organization did not early adopt ASU 2016-14.

NOTE B - GRANTS RECEIVABLE/REVENUE

Grants receivable and revenue at December 31, 2017, are as follows:

	<u>Receivable</u>	<u>Revenue</u>
Food Stamp Program - SNAP	\$ 12,658	\$ 53,153
Community Health Worker Program (Tulane Univ.)	20,623	56,155
Alliance Institute	-	2,000
Office of Violence Against Women	-	61,452
NORDC	-	51,750
EITC	-	3,500
Disaster Program	-	14,143
Victim of Crime Act	27,806	86,867
Family Violence Prevention & Intervention Program	11,669	38,134
Senior Health Insurance Information	<u>1,291</u>	<u>11,919</u>
	<u>\$ 74,047</u>	<u>\$ 379,073</u>

NOTE C - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31, 2017:

Community Health Worker Program	<u>\$ 8,728</u>
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VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE D - LINE OF CREDIT

Vietnamese Initiatives in Economic Training has a \$250,000 unsecured line of credit at a financial institution. At December 31, 2017, \$49,666 is outstanding, with interest at 6.25%. Interest expense for the year amounted to \$3,530.

NOTE E - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

Vietnamese Initiatives In Economic Training has adopted the provisions of FASB ASC 740-10-25, which requires a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken or expected to be taken in a tax return. Vietnamese Initiatives In Economic Training does not believe its financial statements include any uncertain tax positions.

NOTE F - SCHEDULE OF FUNCTIONAL EXPENSES

Functional expenses for the year ended December 31, 2017 are as follows:

	<u>Program Expenses</u>	<u>General</u>	<u>Total</u>
Personnel	\$ 337,749	\$ 30,628	\$ 368,377
Operating services	4,794	11,646	16,440
Supplies, office	3,607	4,952	8,559
Supplies, program	10,804	18,418	29,222
Professional services	1,700	21,350	23,050
Meeting/Training	408	1,786	2,194
Travel/transportation	7,448	2,206	9,654
Ground/maintenance	384	3,426	3,810
Events/field trips	5,485	112	5,597
Depreciation	-	2,500	2,500
Equipment	1,596	-	1,596
Utilities	6,899	15,484	22,383
Occupancy	4,940	7,060	12,000
Direct assistance	11,250	-	11,250
Other	100	1,733	1,833
Total	<u>\$ 397,164</u>	<u>\$ 121,301</u>	<u>\$ 518,465</u>

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE G - OPERATING LEASE COMMITMENT

Vietnamese Initiatives In Economic Training moved to facilities at 13435 Granville Street, New Orleans, LA, in May 2011. The lease is a 20 year operating lease, with two five year renewal options. The premises are rent free, in exchange for the Lessee's commitment to renovate and maintain the premises until March 2017, at which time the rent will be \$1,000 per month for five years, to March 2021, then the rent increases to \$1,100 per month for the next five years to March 2026, then the rent increases to \$1,210 per month for five more years to March 2031. Rental expense for the year 2017 amounted to \$12,000.

NOTE H- BOARD OF DIRECTORS' COMPENSATION

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

NOTE I- ECONOMIC DEPENDENCY

The Corporation receives a substantial amount of its revenue from funds provided through governmental grants. If significant budget cuts are made by these grantors, the amount of the funds the organization receives could be reduced significantly and have an adverse impact on its operations. 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 61% 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, 2017

	<u>Violence Against Women</u>	<u>Community Health Worker</u>	<u>Family First Program</u>
REVENUE			
Grant appropriations	\$ 61,452	\$ 56,155	\$ 38,134
Contributions	-	-	-
Program fees	-	-	-
Other	-	-	-
Total Revenue	<u>61,452</u>	<u>56,155</u>	<u>38,134</u>
 EXPENSES			
Personnel	51,663	43,561	37,310
Operating services	568	-	569
Supplies, office	704	1,785	-
Supplies, program	-	614	-
Professional services	250	-	-
Meetings/training	-	-	-
Travel/transportation	2,014	1,416	-
Grounds/maintenance	235	51	-
Events/field trips	-	-	-
Depreciation	-	-	-
Equipment	446	-	-
Utilities	1,909	-	-
Occupancy	1,385	-	96
Direct assistance	-	-	-
Other	-	-	-
Total expenses	<u>59,174</u>	<u>47,427</u>	<u>37,975</u>
 Increase (Decrease) in Net Assets	 2,278	 8,728	 159
Transfers to/from General and Administrative	(2,278)		(159)
 Net Assets, Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net Assets, End of Year	 <u>\$ -</u>	 <u>\$ 8,728</u>	 <u>\$ -</u>

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

COMBINED STATEMENT OF ACTIVITIES

Year ended December 31, 2017

	<u>Alliance Institute</u>	<u>Disaster Program</u>	<u>Greater New Orleans Foundation</u>	<u>VOCA</u>
REVENUE				
Grant appropriations	\$ 2,000	\$ 14,143	\$ -	\$ 86,867
Contributions	-	6,720	-	-
Program fees	-	-	-	-
Other	-	-	-	-
Total Revenue	<u>2,000</u>	<u>20,863</u>	<u>-</u>	<u>86,867</u>
 EXPENSES				
Personnel	6,508	7,339	7,396	77,412
Operating services	-	-	-	2,150
Supplies, office	-	-	-	1,030
Supplies, program	-	-	-	-
Professional services	-	-	-	1,450
Meetings/training	-	-	-	-
Travel/transportation	-	-	-	343
Grounds/maintenance	-	-	-	98
Events/field trips	-	-	-	-
Depreciation	-	-	-	-
Equipment	-	-	-	1,150
Utilities	-	-	-	4,669
Occupancy	-	-	-	2,805
Direct assistance	-	11,250	-	-
Other	-	-	-	-
Total expenses	<u>6,508</u>	<u>18,589</u>	<u>7,396</u>	<u>91,107</u>
 Increase (Decrease) in Net Assets	 (4,508)	 2,274	 (7,396)	 (4,240)
Transfers to/from General and Administrative	(886)	(2,274)	(8,607)	4,240
 Net Assets, Beginning of Year	 <u>5,394</u>	 <u>-</u>	 <u>16,003</u>	 <u>-</u>
 Net Assets, End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING
COMBINED STATEMENT OF ACTIVITIES - Continued
Year ended December 31, 2017

	<u>NORDC</u>	<u>SNAP</u>	<u>General and Administrative</u>	<u>Total</u>
REVENUE				
Grant appropriations	\$ 51,750	\$ 53,153	\$ 15,419	\$ 379,073
Contributions	-	-	98,796	105,516
Program fees	16,095	-	1,484	17,579
Other	-	-	26,943	26,943
Total Revenue	<u>67,845</u>	<u>53,153</u>	<u>142,642</u>	<u>529,111</u>
EXPENSES				
Personnel	53,724	52,836	30,628	368,377
Operating services	569	938	11,646	16,440
Supplies, office	88	-	4,952	8,559
Supplies, program	10,190	-	18,418	29,222
Professional services	-	-	21,350	23,050
Meetings/training	408	-	1,786	2,194
Travel/transportation	3,675	-	2,206	9,654
Grounds/maintenance	-	-	3,426	3,810
Events/field trips	5,485	-	112	5,597
Depreciation	-	-	2,500	2,500
Equipment	-	-	-	1,596
Utilities	-	225	15,484	22,383
Occupancy	-	750	7,060	12,000
Direct assistance	-	-	-	11,250
Other	100	-	1,733	1,833
Total expenses	<u>74,239</u>	<u>54,749</u>	<u>121,301</u>	<u>518,465</u>
Increase (Decrease) in Net Assets	(6,394)	(1,596)	21,341	10,646
Transfers to/from General and Administrative	6,394	1,596	1,974	-
Net Assets, Beginning of Year	<u>-</u>	<u>-</u>	<u>34,690</u>	<u>56,087</u>
Net Assets, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,005</u>	<u>\$ 66,733</u>

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD

For the year ended December 31, 2017

Agency Head: Cyndi Nguyen

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 61,278
Benefits/payroll taxes	7,622

CASCIO & SCHMIDT, LLC

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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
Vietnamese Initiatives in Economic Training

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 Vietnamese Initiatives in Economic Training (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2017 and the related statements of activities, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements we considered Vietnamese Initiatives in Economic Training'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 Vietnamese Initiatives in Economic Training's internal control. Accordingly, we do not express an opinion on the effectiveness of Vietnamese Initiatives in Economic Training's internal control. Accordingly, we do not express an opinion on the effectiveness of Vietnamese Initiatives in Economic Training'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 the 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Vietnamese Initiatives in Economic Training'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 instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 2017-001 and 2017-002.

Response to Findings

Vietnamese Initiatives in Economic Training's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Vietnamese Initiatives in Economic Training'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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Standards Auditing* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for an other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Metairie, Louisiana
September 28, 2018

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

SCHEDULE OF FINDINGS AND RESPONSES

Year ended December 31, 2017

A. Summary of Auditor's Results

1. The Auditor's report expressed an unmodified opinion on the financial statements.
2. There were no significant deficiencies or material weaknesses in internal control which were disclosed by the audit of the financial statements.
3. Instances of noncompliance material to the financial statements were noted.

B. Findings - Financial Statements

Compliance

2017-001 Filing Requirements

Condition: The financial statements were not submitted to the Louisiana Legislative Auditor within six months after year-end.

Criteria: The financial statements must be filed with the Louisiana Legislative Auditor within six months after year-end.

Cause: Program funding has been reduced significantly which has put a strain on the accounting function.

Effect: The financial transactions for the year 2017 had not been completed by June 30, 2018.

Recommendation: The organization should assign the accounting function to someone and monitor their progress in order to file the financial statements timely in the future.

View of Responsible Officials and Planned Corrective Action: See Corrective Action Plan.

Compliance

2017-002 Contingency

Conditions: Vietnamese Initiatives in Economic Training (VIET) leases the administrative and program facilities from the Archdiocese of New Orleans under an operating lease. The lease states that VIET is required to maintain property insurance coverage on the buildings. VIET does not maintain such insurance coverage.

Criteria: The lease requires property insurance coverage on the buildings.

Cause: VIET has been providing a copy of the insurance coverage to the Archdiocese as required, however, the coverage was liability insurance, not property insurance. The Archdiocese has not indicated that the coverage was inadequate.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

SCHEDULE OF FINDINGS AND RESPONSES - Continued

Year ended December 31, 2017

2017-002 Contingency - Continued

Effect: If damages to the buildings occur, the Archdiocese might require VIET to pay for the repairs.

Recommendation: VIET should require the Archdiocese to amend the provisions in the lease requiring property insurance coverage.

View of Responsible Official and Planned Corrective Action: See Corrective Action Plan.

C. Status of Prior Year Audit Findings

There were no prior year audit findings.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

Year ending December 31, 2017

CORRECTIVE ACTION PLAN

1. Filing Requirements

VIET has hired additional part-time staff to work financials for 2018 audit. VIET will file 2018 year ending financial statements before or by June 30, 2019.

2. Contingency – Lease Agreement with Archdiocese of New Orleans

VIET has maintained General Liability Insurance and produced copy of Additional Insured to Archdiocese of New Orleans since the inception of the lease - 2011, but not Property Insurance; there were no findings by the Archdiocese since then.

VIET currently is in communicating with the Archdiocese on the requirement of said Property Insurance on this lease property. VIET is in the process of renegotiating the lease to reflect the requirement of Property Insurance. Last communication was on October 29, 2018.