

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

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

December 31, 2018

**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, 2018, 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, 2018, 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.

Emphasis-of-Matter

As discussed in Note B to the financial statements, the operations of the Corporation resulted in an excess of expenses over revenue and total net assets decreased to \$37,169 at December 31, 2018. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note B. Our opinion is not modified with respect to these matter.

Report on Summarized Comparative Information

We have previously audited Vietnamese Initiatives in Economic Training's 2017 financial statements, and our report dated September 28, 2018, 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, 2017, 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 and 13, and the schedule of compensation, benefits and other payments to agency head on page 14, 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 June 14, 2019, 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.



Metairie, Louisiana
June 14, 2019

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF FINANCIAL POSITION

December 31, 2018

		<u>Summarized Comparative Information December 31, 2017</u>
ASSETS		
Cash	\$ 4,020	\$ 37,536
Grants receivable (Notes A5 and C)	<u>94,695</u>	<u>74,047</u>
Total current assets	<u>98,715</u>	<u>111,583</u>
PROPERTY AND EQUIPMENT (Note A-6)		
Equipment	17,500	17,500
Less accumulated depreciation	<u>7,500</u>	<u>5,000</u>
	10,000	12,500
OTHER ASSETS		
Deposits	<u>1,500</u>	<u>1,500</u>
Total assets	<u>\$ 110,215</u>	<u>\$ 125,583</u>
LIABILITIES		
Note payable (Note E)	\$ 66,146	\$ 49,666
Accounts payable	<u>6,900</u>	<u>9,184</u>
Total current liabilities	<u>73,046</u>	<u>58,850</u>
COMMITMENTS (Note H)	-	-
NET ASSETS		
Net assets without donor restrictions	<u>37,169</u>	<u>66,733</u>
Total Net Assets	<u>37,169</u>	<u>66,733</u>
Total Liabilities and Net Assets	<u>\$ 110,215</u>	<u>\$ 125,583</u>

The accompanying notes are an integral part of this statement.

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

Year ended December 31, 2018

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>Summarized</u> <u>Comparative Information</u> <u>Year ended</u> <u>December 31, 2017</u>
REVENUES				
Grants (Note C)	\$ 293,764	\$ -	\$ 293,764	\$ 379,073
Contributions	19,435	-	19,435	105,516
Program fees	21,752	-	21,752	17,579
Other	<u>14,112</u>	<u>-</u>	<u>14,112</u>	<u>26,943</u>
Total Revenues	<u>349,063</u>	<u>-</u>	<u>349,063</u>	<u>529,111</u>
EXPENSES				
Personnel	265,780	-	265,780	368,377
Operating services	8,160	-	8,160	16,440
Supplies, office	391	-	391	8,559
Supplies, program	9,216	-	9,216	25,130
Professional services	33,596	-	33,596	23,050
Meeting/training	1,341	-	1,341	2,194
Travel/transportation	8,939	-	8,939	9,654
Grounds/maintenance	2,192	-	2,192	3,810
Events/field trips	12,994	-	12,994	5,597
Depreciation	2,500	-	2,500	2,500
Equipment	-	-	-	1,596
Utilities	16,154	-	16,154	22,383
Occupancy	12,000	-	12,000	12,000
Direct assistance	-	-	-	11,250
Other	<u>5,364</u>	<u>-</u>	<u>5,364</u>	<u>5,925</u>
Total Expenses	<u>378,627</u>	<u>-</u>	<u>378,627</u>	<u>518,465</u>
Increase (decrease) in Net Assets	(29,564)	-	(29,564)	10,646
Net Assets, Beginning of Year	<u>66,733</u>	<u>-</u>	<u>66,733</u>	<u>56,087</u>
Net Assets, End of Year	<u>\$ 37,169</u>	<u>\$ -</u>	<u>\$ 37,169</u>	<u>\$ 66,733</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF CASH FLOWS

Year ended December 31, 2018

		<u>Summarized Comparative Information Year ended December 31, 2017</u>
Cash Flows from Operating Activities		
Grant revenue	\$ 273,116	\$ 393,811
Other	<u>55,299</u>	<u>150,038</u>
	328,415	543,849
Payments to employees and suppliers	(373,400)	(513,751)
Interest expense	(5,011)	(3,530)
Net Cash Provided (Used) by Operating Activities	(49,996)	26,568
Cash Flows from Investing Activities		
Acquisition of equipment	<u>-</u>	<u>-</u>
Net Cash Provided by Investing Activities	-	-
Cash Flows from Financing Activities		
Line of credit draws	91,480	3,767
Line of credit payments	(75,000)	(32,000)
Net Cash Provided (Used) by Financing Activities	16,480	(28,233)
Net Increase (Decrease) in Cash and Cash Equivalents	(33,516)	(1,665)
Cash and Cash Equivalents at Beginning of Year	<u>37,536</u>	<u>39,201</u>
Cash and Cash Equivalents at End of Year	\$ <u>4,020</u>	\$ <u>37,536</u>
Reconciliation of Increase in Net Assets to Net Cash (Used) by Operating Activities		
Increase (decrease) in net assets	\$ (29,564)	\$ 10,646
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	2,500	2,500
(Increase) in receivables	(20,648)	14,738
Increase(decrease) in accounts payable	(2,284)	(1,316)
	<u>(20,432)</u>	<u>15,922</u>
Net Cash Provided (Used) by Operating Activities	\$ (49,996)	\$ <u>26,568</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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 on the accrual basis in accordance with the requirements established by the Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) as set forth in FASB ASC 958. Accounting Standards Update 2016-14.

Under the provisions of FASB ASC 958, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions, and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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, 2018

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, 2018 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 G. 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, 2018

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

11. Subsequent Events

The Organization has evaluated subsequent events through June 14, 2019, 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. The Organization has adjusted the presentation of these statements accordingly. The ASU has also been applied to the Summarized Comparative Information for the year 2017.

NOTE B - CONTINGENCY - GOING CONCERN

As shown in the accompanying financial statements, the operations of Vietnamese Initiatives in Economic Training (VIET) resulted in an excess of expenses over revenue of \$29,564 for the year ended December 31, 2018, and the total net assets at December 31, 2018 has declined to \$37,169. This matter creates an uncertainty about VIET's ability to continue as a going concern.

Management has evaluated the revenue and expenses of all of its programs and has prepared a realistic conservative budget for the year 2019, indicating an increase in program income from various funding sources, which will result in excess of revenue over expenses.

The ability of VIET to continue as a going concern and meet its obligations as they become due is dependent on management's ability to successfully implement the plan.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE C - GRANTS RECEIVABLE/REVENUE

Grants receivable and revenue at December 31,2018, are as follows:

	<u>Receivable</u>	<u>Revenue</u>
Dept. Of Children & Family Services - SNAP	\$ 11,482	\$ 59,424
Community Health Worker Program (Tulane Univ.)	-	12,967
Office of Public Health	11,040	-
NORDC	-	49,250
EITC	-	3,500
Institute of Mental Health - IMH NOLA	25,000	25,000
Victim of Crime Act - VOCA	36,615	92,832
Family Violence Prevention & Intervention Program	6,902	43,212
Senior Health Insurance Information (SHIP)	3,656	9,579
	<u>\$ 94,695</u>	<u>\$ 293,764</u>

NOTE D - LIQUIDITY

As part of Vietnamese Initiatives In Economic Training's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Vietnamese Initiatives In Economic Training's financial assets available within one year of the balance sheet date for general expenditures are as follow:

Cash	\$ 4,020
Grants receivable	<u>94,695</u>
	<u>\$ 98,715</u>

NOTE E - LINE OF CREDIT - NOTE PAYABLE

Vietnamese Initiatives in Economic Training has a \$250,000 unsecured line of credit at a financial institution. At December 31,2018, \$66,146 is outstanding, with interest at 7.25%. Interest expense for the year amounted to \$5,011.

NOTE F - 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.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE G - SCHEDULE OF FUNCTIONAL EXPENSES

Functional expenses for the year ended December 31, 2018 are as follows:

	<u>Program Expenses</u>	<u>General</u>	<u>Total</u>
Personnel	\$ 226,887	\$ 38,893	\$ 265,780
Operating services	2,366	5,794	8,160
Supplies, office	-	391	391
Supplies, program	3,842	5,374	9,216
Professional services	10,387	23,209	33,596
Meeting/Training	459	882	1,341
Travel/transportation	8,486	453	8,939
Ground/maintenance	593	1,599	2,192
Events/field trips	9,654	3,340	12,994
Depreciation	-	2,500	2,500
Utilities	8,251	7,903	16,154
Occupancy	9,750	2,250	12,000
Other	-	5,364	5,364
Total	<u>\$ 280,675</u>	<u>\$ 97,952</u>	<u>\$ 378,627</u>

NOTE H - 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 2018, 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 2018 amounted to \$12,000.

NOTE I- BOARD OF DIRECTORS' COMPENSATION

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

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE J- ECONOMIC DEPENDENCY

The Corporation receives a substantial amount of its revenue from funds provided through governmental and institutional 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 84% of the Corporation's support for the year was from governmental and institutional grants.

NOTE K - RECLASSIFICATIONS

Certain reclassifications have been made to conform to the 2018 presentation.

SUPPLEMENTAL INFORMATION

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

COMBINED STATEMENT OF ACTIVITIES

Year ended December 31, 2018

	<u>Community Health Worker</u>	<u>Family First Program</u>	<u>VOCA</u>
REVENUE			
Grant appropriations	\$ 12,967	\$ 43,212	\$ 92,832
Contributions	-	-	-
Program fees	-	-	-
Other	-	-	-
Total Revenue	<u>12,967</u>	<u>43,212</u>	<u>92,832</u>
 EXPENSES			
Personnel	-	47,069	81,701
Operating services	-	-	750
Supplies, office	-	-	-
Supplies, program	-	-	391
Professional services	-	2,250	5,325
Meetings/training	-	-	-
Travel/transportation	-	-	551
Grounds/maintenance	-	-	-
Events/field trips	-	-	-
Depreciation	-	-	-
Utilities	-	1,193	3,729
Occupancy	-	2,000	4,250
Other	-	-	-
Total expenses	<u>-</u>	<u>52,512</u>	<u>96,697</u>
 Increase (Decrease) in Net Assets	 12,967	 (9,300)	 (3,865)
Transfers to/from General and Administrative	(21,695)	9,300	3,865
 Net Assets, Beginning of Year	 <u>8,728</u>	 <u>-</u>	 <u>-</u>
 Net Assets, End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

COMBINED STATEMENT OF ACTIVITIES - Continued

Year ended December 31, 2018

	<u>NORDC</u>	<u>SNAP</u>	<u>General and Administrative</u>	<u>Total</u>
REVENUE				
Grant appropriations	\$ 47,250	\$ 59,424	\$ 38,079	\$ 293,764
Contributions	-	-	19,435	19,435
Program fees	20,200	-	1,552	21,752
Other	-	-	14,112	14,112
Total Revenue	<u>67,450</u>	<u>59,424</u>	<u>73,178</u>	<u>349,063</u>
 EXPENSES				
Personnel	40,080	58,037	38,893	265,780
Operating services	1,616	-	5,794	8,160
Supplies, office	-	-	391	391
Supplies, program	3,451	-	5,374	9,216
Professional services	562	2,250	23,209	33,596
Meetings/training	459	-	882	1,341
Travel/transportation	7,935	-	453	8,939
Grounds/maintenance	593	-	1,599	2,192
Events/field trips	9,654	-	3,340	12,994
Depreciation	-	-	2,500	2,500
Utilities	1,368	1,961	7,903	16,154
Occupancy	750	2,750	2,250	12,000
Other	-	-	5,364	5,364
Total expenses	<u>66,468</u>	<u>64,998</u>	<u>97,952</u>	<u>378,627</u>
 Increase (Decrease) in Net Assets	982	(5,574)	(24,774)	(29,564)
Transfers to/from General and Administrative (982)		5,574	3,938	-
 Net Assets, Beginning of Year	<u>-</u>	<u>-</u>	<u>58,005</u>	<u>66,733</u>
 Net Assets, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,169</u>	<u>\$ 37,169</u>

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

For the year ended December 31, 2018

Agency Head: Lang Le

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 62,400
Benefits/payroll taxes	4,135

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

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, 2018 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 June 14, 2019.

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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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
June 14, 2019

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

SCHEDULE OF FINDINGS AND RESPONSES

Year ended December 31, 2018

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. No instances of noncompliance material to the financial statements were noted.

B. Findings - Financial Statements - None

C. Status of Prior Year Audit Findings

		<u>Resolved</u>	<u>Unresolved</u>	<u>Current Findings</u>
Compliance				
2017-001	Late filing of financial statements	X		
2017-002	Maintenance of property insurance on leased buildings			X