



June 4, 2015

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A PROFESSIONAL CORPORATION

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Dr. GERALYN FRANKLIN, Senior Vice President of Finance and Control  
Dean, College of Business and Economics  
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P.O. Box 15551  
Al Ain, UAE

Dear Dr. Ascuá and Dr. Franklin,

We have audited the financial statements of The International Council for Small Business (the Organization) for the year ended March 31, 2015, and have issued our report thereon dated June 4, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit.

We have communicated such information in our engagement letter dated April 22, 2015. Professional standards also require that we communicate to you the following information related to our audit.

## **SIGNIFICANT AUDIT FINDINGS**

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Organization did not have any sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Notes to the financial statements include the significant disclosure items related to the year ended March 31, 2015.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and uncorrected misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During our audit, we proposed several adjustments that, in our judgment, indicate matters that could have a material effect on the ICSB's financial reporting process. The summary of these adjustments is attached to this letter. Management has corrected all such misstatements. In addition, the attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

***Disagreement with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated June 4, 2015. A copy of the representation letter is attached for your review.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Audit Committee, Board of Directors, and management of the International Council for Small Business and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Renner and Company, CPA, P.C.

A handwritten signature in blue ink, appearing to read "Helen Lee".

Helen Lee, CPA

International Council for Small Business  
Summary of Proposed Adjusting Entries  
Affecting Change in Net Assets  
March 31, 2015

<b>UNADJUSTED CHANGE IN NET ASSETS - NET INCOME</b>	<u>\$ 27,407</u>
<b>PROPOSED ADJUSTING ENTRIES DURING AUDIT</b>	
To adjust begininng net assets	20,782
To recognize prior year prepaid expenses in current year	(2,444)
To defer 2015 expenses	3,250
To record additional special project expenses	(5,000)
To recognize JBSM deferred income	30,952
To record additional GW expenses	(75,035)
To defer 2015 annual conference income	(33,500)
To recognize additional income incorrectly posted	3,280
To record additional allowance for doubtful accounts	(20,000)
To reclassify exepnditure made from temp restricted fund	<u>(1,000)</u>
<b>NET ADJUSTMENTS</b>	<u>(78,714)</u>
<b>ADJUSTED CHANGE IN NET ASSETS - NET LOSS PER AUDITED FINANCIAL STATEMENTS</b>	<u><u>\$ (51,307)</u></u>

Client:	1272-001 - International Council for Small Business			
Engagement:	AUD 15 - International Council for Small Business			
Period Ending:	3/31/2015			
Trial Balance:	TB			
Workpaper:	3700.05 - Adjusting Journal Entries Report			
Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To reconcile net assets				
11600	Accounts Receivable		7,500.00	
16100	Accumulated Depreciation		108,333.60	
21100	Accounts Payable		101,538.32	
30000	Members Equity		24,864.83	
41000	Affiliate Fees Revenue		15,072.80	
41200	JSBM Postage Revenue		1,990.14	
41250	JSBM Royalties		2,740.57	
60058	Office Expense		1,755.29	
11600	Accounts Receivable			39,252.43
39000	Current Year Earnings			182,202.12
41100	World Conference Fees			7,500.00
60052	ICSB-GW Office			34,841.00
<b>Total</b>			<b>263,795.55</b>	<b>263,795.55</b>
<b>Adjusting Journal Entries JE # 2</b>				
To recognize prepaid expenses in current year				
60051	ICSB Office Travel		875.34	
60056	Insurance		869.19	
64000	Web Site Expense		699.00	
13005	Prepaid Expenses			2,443.53
<b>Total</b>			<b>2,443.53</b>	<b>2,443.53</b>
<b>Adjusting Journal Entries JE # 3</b>				
		<b>4600.15</b>		
To adjust JBSM income				
23000	Un-earned Income		30,952.38	
41250	JSBM Royalties			30,952.38
<b>Total</b>			<b>30,952.38</b>	<b>30,952.38</b>
<b>Adjusting Journal Entries JE # 4</b>				
To record additional GW rent expense				
60052	ICSB-GW Office		75,035.28	
21100	Accounts Payable			75,035.28
<b>Total</b>			<b>75,035.28</b>	<b>75,035.28</b>
<b>Adjusting Journal Entries JE # 6</b>				
To adjust for prepaaid Maureen Joudrey's April 2015 payment.				
13005	Prepaid Expenses		3,250.00	
60052	ICSB-GW Office			3,250.00
<b>Total</b>			<b>3,250.00</b>	<b>3,250.00</b>
<b>Adjusting Journal Entries JE # 8</b>				
To post special project expenses paid to USASBE subsequent to year end.				
69800	Special Projects - Other		5,000.00	
21100	Accounts Payable			5,000.00
<b>Total</b>			<b>5,000.00</b>	<b>5,000.00</b>
<b>Adjusting Journal Entries JE # 9</b>				
To reclass the payment from WEC Committee Fund - Temp Restricted. (do not post in ICSB's QB)				
TR 69800	Temp Restricted Expenses		1,000.00	
32000	WEC Committee Fund			1,000.00
<b>Total</b>			<b>1,000.00</b>	<b>1,000.00</b>

Client:	<b>1272-001 - International Council for Small Business</b>			
Engagement:	<b>AUD 15 - International Council for Small Business</b>			
Period Ending:	<b>3/31/2015</b>			
Trial Balance:	<b>TB</b>			
Workpaper:	<b>3700.05 - Adjusting Journal Entries Report</b>			
<b>Account</b>	<b>Description</b>	<b>W/P Ref</b>	<b>Debit</b>	<b>Credit</b>
<b>Adjusting Journal Entries JE # 10</b>				
To reclassify 2015 Conference fees collected before the events				
41100	World Conference Fees		33,500.00	
24000	Deferred Income			33,500.00
<b>Total</b>			<b>33,500.00</b>	<b>33,500.00</b>
<b>Adjusting Journal Entries JE # 11</b>				
To reclass payment of Education Hub on 04/17/2014 as income.				
11600	Accounts Receivable		3,280.00	
49800	Special Project			3,280.00
<b>Total</b>			<b>3,280.00</b>	<b>3,280.00</b>
<b>Adjusting Journal Entries JE # 13</b>				
To record allowance for dobtful account.				
80000	Bad Debts		20,000.00	
11650	Allowance for doubtful accounts			20,000.00
<b>Total</b>			<b>20,000.00</b>	<b>20,000.00</b>
<b>Adjusting Journal Entries JE # 14</b>				
To reclassify GWU conference income netted with expenses.				
63005	Affiliate Chapter Development		10,550.00	
63005	Affiliate Chapter Development		15,300.00	
63005	Affiliate Chapter Development		15,304.00	
41000	Affiliate Fees Revenue			15,304.00
41051	ICSB GW Conference Registration			25,850.00
<b>Total</b>			<b>41,154.00</b>	<b>41,154.00</b>
<b>Adjusting Journal Entries JE # 15</b>				
To reclassify HBDI suvery access for sutdent income from expense account.				
49800	Special Project		2,500.00	
63005	Affiliate Chapter Development		2,500.00	
49700	Other Income			5,000.00
<b>Total</b>			<b>5,000.00</b>	<b>5,000.00</b>

Client: **1272-001 - International Council for Small Business**  
 Engagement: **AUD 15 - International Council for Small Business**  
 Period Ending: **3/31/2015**  
 Trial Balance: **TB**  
 Workpaper: **3700.15 - Passed Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Passed Journal Entries JE # 5</b>				
To adjust cash balance to the year end reconciliation.				
11101	Wells Faro- Checking		480.00	
60058	Office Expense			480.00
<b>Total</b>			<b>480.00</b>	<b>480.00</b>