

FINANCIAL STATEMENTS AND
ACCOUNTANTS' COMPILATION REPORT

GREATER ST. MARY COMMUNITY
DEVELOPMENT FOUNDATION

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 2/23/05

TABLE OF CONTENTS

	PAGE
ACCOUNTANTS' COMPILATION REPORT	3
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF CASH FLOW	6
NOTES TO FINANCIAL STATEMENTS	7
ATTESTATION REPORT	13
SCHEDULE OF CURRENT AND PRIOR YEAR FINDINGS	16



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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Greater St. Mary Community Development Foundation
Lake Charles, Louisiana

We have compiled the accompanying statement of financial position of Greater St. Mary Community Development Foundation (a nonprofit organization) as of December 31, 2003, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated November 29, 2004, on the results of our agreed-upon procedures.

Lake Charles, Louisiana
November 29, 2004

GREATER ST. MARY COMMUNITY DEVELOPMENT FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2003

(See Accompanying Notes and Accountants' Report)

ASSETS

CURRENT ASSETS

Cash	\$ 978
Due from affiliates	1,141
Total current assets	<u>2,119</u>

NONCURRENT ASSETS

Fixed assets, net	285,955
Other assets	205
Total noncurrent assets	<u>286,160</u>

Total assets \$ 288,279

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 5,018
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NOTE PAYABLE

92,333

NET ASSETS

Unrestricted:	
Appropriated-land, buildings and equipment	285,955
Unappropriated	(95,027)
Total unrestricted net assets	<u>190,928</u>

Total liabilities and net assets \$ 288,279

GREATER ST. MARY COMMUNITY DEVELOPEMNT FOUNDATION

STATEMENT OF ACTIVITIES

Year Ended December 31, 2003

(See Accompanying Notes and Accountants' Report)

Support and revenues:	
Federal grants	\$ 76,243
State grants	13,800
Rent income	<u>10,732</u>
Total unrestricted support and revenues	100,775
Expenses:	
Accounting	1,500
Advertising	274
Automobile expense	146
Bank service charges	324
Contract labor	6,950
Depreciation	5,952
Groceries	1,580
Insurance	4,071
Interest	7,402
Maintenance	85
Miscellaneous	830
Office equipment	952
Office supplies	142
Postage	52
Printing and reproductions	3,438
Program expense	2,640
Rent	10,067
Retreats and field trips	4,140
Supplies	3,674
Taxes	4,011
Travel	452
Utilities	1,838
Wages	<u>50,000</u>
Total expenses	<u>110,520</u>
(DECREASE) IN UNRESTRICTED NET ASSETS	(9,745)
NET ASSETS, BEGINNING OF YEAR	<u>200,673</u>
NET ASSETS, END OF YEAR	<u>\$ 190,928</u>

GREATER ST. MARY COMMUNITY DEVELOPMENT FOUNDATION

STATEMENT OF CASH FLOW

December 31, 2003

(See Accompanying Notes and Accountant's Report)

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (9,745)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,952
Decrease in accounts receivable	14,991
Increase in accounts payable	5,019
Increase in accrued expenses	782
(Decrease) in deferred revenue	<u>(12,805)</u>
Net cash (used in) operating activities	4,194
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of equipment	(67,128)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from bank loan	<u>58,676</u>
Net (decrease) in cash and cash equivalents	(4,258)
Cash and cash equivalents, beginning of year	<u>5,236</u>
Cash and cash equivalents, end of year	<u>\$ 978</u>
SUPPLEMENTAL DATA	
Interest paid	\$ 7,402

GREATER ST. MARY COMMUNITY DEVELOPMENT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

NOTE 1 – NATURE OF ACTIVITIES

Greater St. Mary Community Development Foundation was established in 1999 and is a 501 (c) (3) non-profit organization with a voluntary board of directors. It originated to provide economic social education and housing initiatives in low to moderate income neighborhoods in Lake Charles, Louisiana. The Organization has addressed teen pregnancy prevention, alcohol and drug abuse, adult education, crime prevention, economic changes, poverty and major social issues and barriers that affect low to moderate income families. It receives significant amounts of income from federal and state government grants, generally under cost reimbursement plans.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are presented in accordance with Statement of Financial Accounting Standards No. 116 (SAFS No. 116), "Accounting for Contributions Received and Contributions Made" and Statement of Financial Accounting Standards (SAFS No. 117) Financial Statements of Not-for-Profit Organizations. SFAS No. 116 requires contributions to be recognized as revenue when they are received or unconditionally pledged. SFAS No. 117, which eliminates the utilization of fund accounting for financial reporting purposes, requires net assets to be classified as either 1) unrestricted, 2) temporarily restricted, or 3) permanently restricted depending on limitations placed on the net assets.

Donated Services

Volunteers have donated many hours to the Organization's program services and fund-raising campaigns during the year. However, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services are reflected in the statement of activities at their fair value.

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

GREATER ST. MARY COMMUNITY DEVELOPMENT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

Conditions – Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature or the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purposes restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. The Organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions receivable represent amounts committed by donors that have not been received by the Organization.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under section 503 (c) (3) of the Internal Revenue Code.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

GREATER ST. MARY COMMUNITY DEVELOPMENT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid

Insurance and similar services which extend over more than one accounting period have been recorded as expense.

Advertising

Advertising costs are charged to operations when incurred. Such costs approximated \$274 during 2003.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

The purchase of property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Equipment and vehicles are depreciated using the straight-line method over the estimated useful lives.

NOTE 3 - CONCENTRATION OF CREDIT RISK

At December 31, 2003, cash consisted of bank deposits totaling \$978, which was fully insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

GREATER ST. MARY COMMUNITY DEVELOPMENT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

NOTE 4 - FIXED ASSETS

A summary of Fixed Assets at year end follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 30,000	\$ -0-	\$ 30,000
Building	180,000	3,750	176,250
Leasehold Improvements	77,807	1,618	76,189
Furniture, Fixtures & Equipment	<u>4,100</u>	<u>584</u>	<u>3,516</u>
	<u>\$ 291,907</u>	<u>\$ 5,952</u>	<u>\$ 285,955</u>

NOTE 5 - NOTE PAYABLE

Note to Cameron State Bank, dated December 31, 2002 for \$92,333, interest at 8.5%, is a demand note due March 31, 2006, secured by land and building at 1100 Giovanni Street, Lake Charles, LA. No principal payments have been made during 2003. Interest paid on note for year ended December 31, 2003 is \$7,402.

NOTE 6 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omission; injuries to employees; and natural disasters for which the organization carries commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

GREATER ST. MARY COMMUNITY DEVELOPMENT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

NOTE 7 – ECONOMIC DEPENDENCY

The Organization receives the majority of its revenues from funds provided through various federal, state and private grants. If significant budget cuts are made at the federal state and or local level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

NOTE 8 – CONTINGENCIES

The Organization received its revenues from government grants and contracts, all of which are subject to audit by governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

ATTESTATION REPORT



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Greater St. Mary Community Development Foundation.
Lake Charles, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Greater St. Mary Community Development Foundation (a nonprofit organization) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Greater St. Mary Community Development Foundation's compliance with certain laws and regulations during the year ended December 31, 2003, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

Federal, State and Local Awards

1. Determine the amount of Federal, State and local award expenditures for the fiscal year by grant and grant year.

State:

State of Louisiana – Department of Social Services	\$ 76,243
State of Louisiana – Office of Urban Affairs & Development	13,800

2. Randomly select 6 disbursements for each award made during the period under examination and:
 - (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the twelve randomly selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the twelve selected disbursements indicated approval from the director.

Meetings

3. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

We reviewed the minutes of Greater St. Mary Community Development Foundation.

The Organization now posts notices of its upcoming meetings to give the public an opportunity to participate in the meetings involving state funds.

Comprehensive Budget

4. Obtain a copy of the legally adopted budget and all amendments.

We obtained a copy of the budget filed with the State of Louisiana with the anticipated use of funds and objectives of the project.

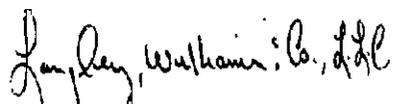
We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Greater St. Mary Community Development Foundation and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Greater St. Mary Community Development Foundation
Page 3

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

A handwritten signature in cursive script, appearing to read "James W. Walker, Jr., D.D.".

Lake Charles, Louisiana
November 29, 2004

GREATER ST. MARY COMMUNITY DEVELOPMENT FOUNDATION
SCHEDULE OF CURRENT AND PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2003

Prior Year – no report issued.

2003.01 **LATE SUBMISSION OF COMPILATION/ATTESTATION FINANCIAL STATEMENTS**

Condition: The compilation/attestation financial statements were submitted after the due date (6-30-04).

Effect: Violation of State Law regarding submission of the financial statements.

Recommendation: All financial records should be kept current and independent accountant engaged prior to year end.

2003.02 **LOUISIANA COMPLIANCE QUESTIONNAIRE**

Condition: The Louisiana Compliance Questionnaire was not completed and available at the beginning of the engagement.

Effect: Violation of State Law regarding compliance with state laws.

Recommendation: The Louisiana Compliance Questionnaire should be completed at the beginning of all future engagements and give it to the independent accountant.