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SENIORS TARGETING RESOURCES UNITED TOGETHER, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 2-16-00.

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TELEPHONE (504) 767-7829
CELLULAR (504) 335-3647

Donald C. DeVille

CERTIFIED PUBLIC ACCOUNTANT
7829 BLUEBONNET BLVD.
BATON ROUGE, LOUISIANA 70810
(504) 767-7829

MEMBER
AMERICAN INSTITUTE CPAs
LOUISIANA SOCIETY CPAs

INDEPENDENT AUDITOR'S REPORT

November 10, 1999

Board of Directors of the
Seniors Targeting Resources United Together, Inc.
Baton Rouge, Louisiana

I have audited the accompanying statement of financial position of the Seniors Targeting Resources United Together, Inc. (a non-profit organization) as of June 30, 1999, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Seniors Targeting Resources United Together, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Seniors Targeting Resources United Together, Inc. as of June 30, 1999, and in the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.



SENIORS TARGETING RESOURCES UNITED TOGETHER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999

ASSETS:

Cash and Cash Equivalents	\$11,692
Fixed Assets, Net	25,894
Deposits	120

TOTAL ASSETS	37,706
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LIABILITIES & NET ASSETS:

Accounts Payable	\$2,241
Payroll Taxes Payable	3,269

TOTAL LIABILITIES	5,510
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NET ASSETS

Unrestricted	32,196
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TOTAL LIABILITIES & NET ASSETS	37,706
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

SENIORS TARGETING RESOURCES UNITED TOGETHER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1999

REVENUE:

Contributions, gifts & grants: \$191,000
Grants 191,000

TOTAL REVENUE 191,000

EXPENSES:

Program Services 162,480
Management and General 15,829
Fund Raising -0-

TOTAL EXPENSES 178,309

INCREASE (DECREASE) IN NET ASSETS 12,691

NET ASSETS, Beginning of Year 19,505

NET ASSETS, End of Year 32,196

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

SENIORS TARGETING RESOURCES UNITED TOGETHER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1999

	<u>PROGRAM SERVICES PROGRAM SERVICES</u>	<u>SUPPORT SERVICES MANAGEMENT & GENERAL</u>	<u>FUND RAISING</u>	<u>TOTAL</u>
Personnel Related	\$69,187	\$7,688	\$-0-	\$76,875
Payroll Taxes	5,232	581	-0-	5,813
Consultants	7,940	-0-	-0-	7,940
Insurance	8,086	-0-	-0-	8,086
Licenses	30	-0-	-0-	30
Program Equipment	367	-0-	-0-	367
Program Expenses	1,074	-0-	-0-	1,074
Program Supplies	2,567	-0-	-0-	2,567
Accounting	5,580	620	-0-	6,200
Depreciation	333	37	-0-	370
Outside Services	1,952	217	-0-	2,169
Postage	102	11	-0-	113
Occupancy	56,847	6,316	-0-	63,163
Repairs & Maintenance	100	15	-0-	115
Telephone	3,038	339	-0-	3,377
Travel	45	5	-0-	50
TOTAL	<u>162,480</u>	<u>15,829</u>	<u>-0-</u>	<u>178,309</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

SENIORS TARGETING RESOURCES UNITED TOGETHER, INC.
STATEMENT OF CASH FLOWS
DIRECT METHOD
YEAR ENDED JUNE 30, 1999

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Increase (Decrease) In Net Assets	\$12,691
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:	
Depreciation	360
(Increase) Decrease In Operating Assets:	
Prepaid Rent	4,800
Deposits	(120)
 Increase (Decrease) In Operating Liabilities:	
Accounts Payable	2,241
Payroll Taxes	308
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	20,280
	<hr/>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of Equipment	(26,254)
	<hr/>
NET INCREASES (DECREASES) IN CASH	(5,974)
CASH AND CASH EQUIVALENTS, Beginning of Year	17,666
	<hr/>
CASH AND CASH EQUIVALENTS, End of Year	11,692
	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

SENIORS TARGETING RESOURCES UNITED TOGETHER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999

NOTE #1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Seniors Targeting Resources United Together, Inc. (Organization) is a non-profit organization to help senior citizens in the area of health care, including a wellness program, fitness, financial planning, legal services, social and recreational activities and computer skills.

BASIS OF PRESENTATION

The financial statements are presented in accordance with Statement of Financial Accounting Standards No. 116 (SFAS No. 116), "Accounting for Contributions Received and Contributions Made" and Statement of Financial Accounting Standards (SFAS) 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

A substantial number of volunteers have donated substantial number of hours to the Organization's program services during the year. However, these donated services are not reflected in the financial statements since the services do not require specialized skills.

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.

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.

SENIORS TARGETING RESOURCES UNITED TOGETHER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999

REVENUE RECOGNITION (Continued)

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 of 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 has not received its exemption from income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization is in the process of obtaining their exemption letter.

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.

INVENTORIES

Inventory is stated at the lower cost or market, determined by the first-in, first-out method.

PREPAID

Insurance and similar services which extend over more than one accounting period have been recorded as expenses in the year paid.

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.

SENIORS TARGETING RESOURCES UNITED TOGETHER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999

USE OF ESTIMATES

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

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing Organization's various programs and supporting services have been summarized on a functional basis in the statement of support, revenue and expenses, and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

COMPARATIVE DATA

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Organization's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE #2. CASH AND CASH EQUIVALENTS

The carrying value of the Organization's cash and cash equivalents is as follows as of June 30, 1999:

	<u>BOOK VALUE</u>	<u>BANK BALANCE</u>	<u>FDIC INSURED</u>	<u>AT RISK</u>
Petty Cash	\$200	-0-	-0-	\$200
Demand Accounts	11,492	\$39,175	\$39,175	-0-
	<u>11,692</u>	<u>39,175</u>	<u>39,175</u>	<u>200</u>

SENIORS TARGETING RESOURCES UNITED TOGETHER, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999

NOTE #3. OFFICE EQUIPMENT

Office Equipment consist of the following:

Furniture & Fixtures	\$594
Automobile	22,767
Machinery & Equipment	2,903
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	26,264
Less: Accumulated Depreciation	(370)
	<hr/>
	25,894
	<hr/> <hr/>

NOTE #4. LEASE OBLIGATIONS

The Organization leased its Baton Rouge office facilities under an operating lease that began May 1, 1998, and ended April 30, 1999. Rental expense for the year ended June 30, 1999, was \$57,600.

NOTE #7 - YEAR 2000 ISSUE

The Organization has evaluated the potential affects of the Year 2000 (Y2K) issue related to computer hardware and software and determined that both the hardware and software could be affected. The only mission critical software that the Organization has is the accounting software packages. The Organization contracts out its accounting to a local CPA and has been told that their software is Y2K compliant.

Donald C. DeVille

CERTIFIED PUBLIC ACCOUNTANT
7829 BLUEBONNET BLVD.
BATON ROUGE, LOUISIANA 70810
(504) 767-7829

MEMBER
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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

November 10, 1999

Board of Directors of the
Seniors Targeting Resources United Together, Inc.
Baton Rouge, Louisiana

I have audited the financial statements of the Seniors Targeting Resources United Together, Inc. and for the year ended June 30, 1999, and have issued my report thereon dated November 10, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

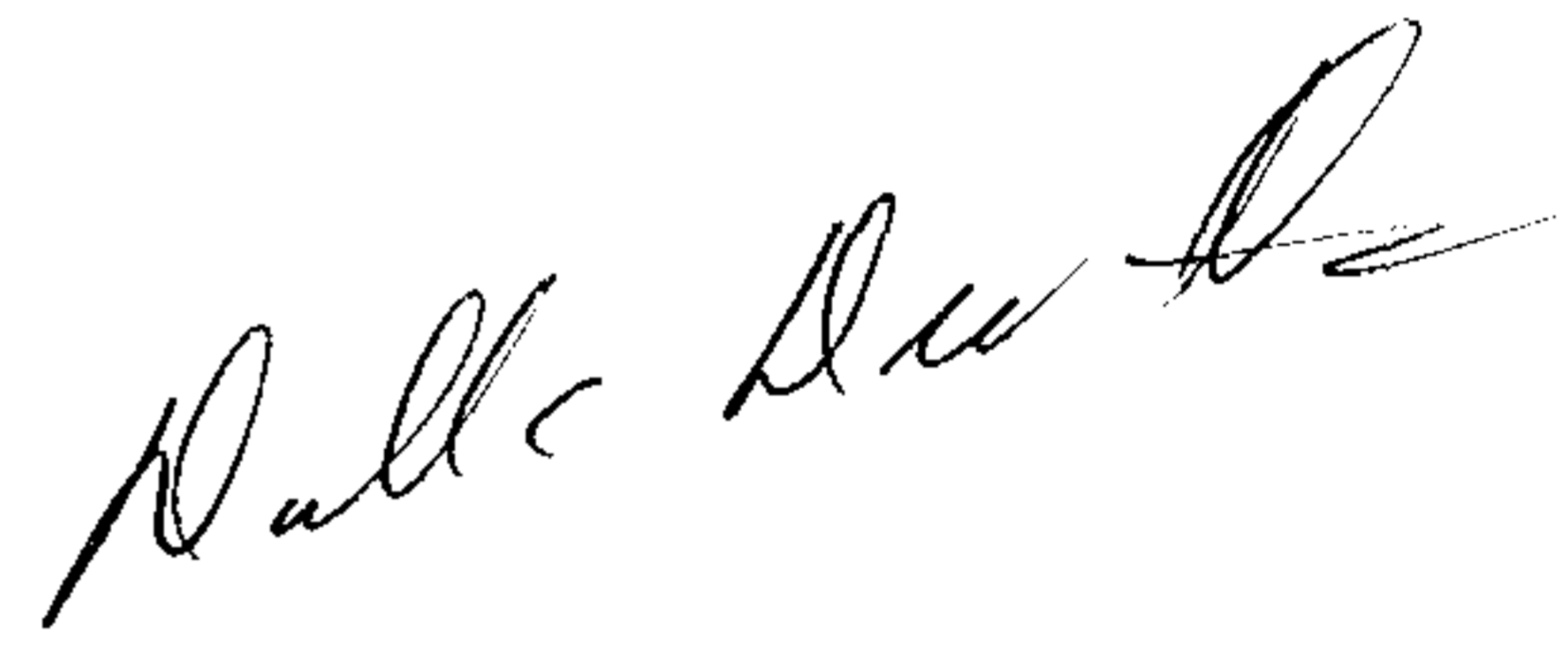
As part of obtaining reasonable assurance about whether Seniors Targeting Resources United Together's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards described in the accompanying Schedule of current year's findings.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered Louis Seniors Targeting Resources United Together's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operations that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect its ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of current year's findings.

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. My consideration of the internal control over financial reporting would not necessary disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described in the Schedule of Current Year's Findings we considered the first finding to be material weaknesses.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and distribution is not limited.

A handwritten signature in cursive script, appearing to read "Paul R. [unclear]", is written in the lower right quadrant of the page.

SENIORS TARGETING RESOURCES UNITED TOGETHER, INC.
SCHEDULE OF PRIOR YEARS FINDINGS
YEAR ENDED JUNE 30, 1999

<u>REF</u> <u>NO.</u>	<u>FISCAL YEAR</u> <u>FINDING</u> <u>INITIALLY</u> <u>OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE</u> <u>ACTION TAKEN</u> <u>(YES, NO, PARTIALLY)</u>	<u>CORRECTIVE</u> <u>ACTION/PARTIAL</u> <u>CORRECTIVE</u> <u>ACTION TAKEN</u>
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NONE

SENIORS TARGETING RESOURCES UNITED TOGETHER, INC.
SCHEDULE OF CURRENT YEARS'S FINDINGS
YEAR ENDED JUNE 30, 1999

INTERNAL CONTROL

Reportable Condition: The Organization was incorporated as a Louisiana not-for-profit corporation and applied for its 501 (c) (3) exemption with the Internal Revenue Service (IRS) in April 1998. However, the IRS wrote back requesting additional information giving the Organization until July 20, 1998, to respond. The Organization has not responded and the IRS will treat the organization as a taxable entity.

Criteria: The Internal Revenue Code section 6104 (c).

Cause: The Organization and its attorney has failed the follow up.

Effect: There are many effects: The Organization could be liable for:

1. Income Tax on the \$12,691 increase in net assets (profit).
2. Federal unemployment taxes.
3. State unemployment taxes.

Recommendation: I recommend that the Organization re-file a new Form 1023 and supply the IRS the need information to obtain the 501 (c) (3) status.

* * * * *

COMPLIANCE & INTERNAL CONTROL

Reportable Condition: The Organization issues checks for \$100 to replenish Petty Cash.

Criteria: Checks should be adequately supported with invoices attached.

Cause: The Organization was unaware of the proper procedures.

Effect: There is no material effect to the financial statements.

Recommendation: When the petty cash fund is depleted, invoices should be added up and reimbursed for that amount only, made payable to the petty cash custodian. The invoices should then be cancelled and attached to the check copy.

* * * * *

Corrective Action Plan

Donald C. DeVille
Certified Public Accountant
7829 Bluebonnet Blvd.
Baton Rouge, LA 70810

Pursuant to your June 30, 1999, audit findings we present the proposed corrective action plan.

We have contacted our attorney who says that he re-submitted the information. We will contact the IRS and do what ever is necessary to obtain the 501 C 3 exemption.

Petty Cash reimbursements will be on the imprest system. As the petty cash fund needs replenishing, a check is drawn to the petty cash custodian covering the exact amount that has been disbursed out of it, bring the total back to the original balance.