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**CITY OF REFUGE, INC.**  
**FINANCIAL STATEMENTS**  
**Year Ended October 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 5.5.04

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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009  
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## ACCOUNTANT'S COMPILATION REPORT

Board of Directors of  
**City of Refuge, Inc.**  
Kenner, Louisiana 70062

We have compiled the accompanying statement of financial position of **City of Refuge, Inc.** (a nonprofit "Organization") as of October 31, 2003, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the 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.

*Rebowe & Company*

April 2, 2004

## **FINANCIAL STATEMENTS**

**CITY OF REFUGE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**October 31, 2003**

ASSETS

Current Assets:	
Cash and cash equivalents	<u>\$ 60,474</u>
Total Current Assets	<u>60,474</u>
Investments	<u>34,473</u>
Property and Equipment:	
Land and buildings	32,331
Equipment	<u>15,674</u>
	48,005
Less: accumulated depreciation	<u>(11,056)</u>
Total Property and Equipment	<u>36,949</u>
Total Assets	<u><u>\$ 131,896</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Payroll taxes payable	\$ 6,857
Mortgage payable - current portion	<u>2,470</u>
Total Current Liabilities	<u>9,327</u>
Long Term Liabilities:	
Mortgage payable, net of current portion	<u>8,214</u>
Total Liabilities	<u>17,541</u>
Net Assets:	
Unrestricted	<u>114,355</u>
Total Net Assets	<u>114,355</u>
Total Liabilities and Net Assets	<u><u>\$ 131,896</u></u>

See accompanying notes and accountant's report.

**CITY OF REFUGE, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended October 31, 2003**

Unrestricted Net Assets:	
Revenue and Support:	
Program Revenue	\$ 19,488
Investment Return	<u>1,473</u>
Total Unrestricted Revenue	20,961
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>130,758</u>
Total Unrestricted Revenue and Support	<u>151,719</u>
Expenses:	
Program Services	149,818
Management and General	<u>8,362</u>
Total Expenses	<u>158,180</u>
Decrease in unrestricted net assets	<u>(6,461)</u>
Temporarily Restricted Net Assets:	
State Treasury Funding - Act 13	69,917
Federal Financial Assistance	56,475
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>(130,758)</u>
Decrease in temporarily restricted net assets	<u>(4,366)</u>
DECREASE IN NET ASSETS	(10,827)
NET ASSETS, Beginning of the Year	<u>125,182</u>
NET ASSETS, End of Year	<u><u>\$ 114,355</u></u>

See accompanying notes and accountant's report.

**CITY OF REFUGE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended October 31, 2003**

	<u>Program Services</u>	<u>Supporting Services Management and General</u>	<u>Total Expenses</u>
Payroll expenses	\$ 51,670	\$ 5,741	\$ 57,411
Grant Expense	72,880	-	72,880
Utilities	8,488	943	9,431
Mortgage Interest	1,309	-	1,309
Insurance	3,825	-	3,825
Depreciation Expense	2,443	272	2,715
Bank Charges and Fees	-	1,050	1,050
Supplies	1,437	-	1,437
Program Operating Expense - Other	3,148	-	3,148
Property Taxes	926	-	926
Building Maintenance	488	-	488
Miscellaneous Expense	3,204	356	3,560
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	<u>\$ 149,818</u>	<u>\$ 8,362</u>	<u>\$ 158,180</u>

See accompanying notes and accountant's report.

**CITY OF REFUGE, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended October 31, 2003**

Cash Flows From Operating Activities:	
Decrease in net assets	\$ (10,827)
Adjustments to reconcile decrease in net assets to cash used in operating activities:	
Depreciation	2,715
Unrealized gain on investment	(1,473)
Increase (decrease) in operating liabilities:	
Accounts payable	(3,550)
Payroll taxes payable	<u>6,387</u>
Net Cash Used in Operating Activities	<u>(6,748)</u>
Cash Flows From Financing Activities:	
Payments on mortgage payable	<u>(2,209)</u>
Net Cash Used in Financing Activities	<u>(2,209)</u>
NET DECREASE IN CASH	(8,957)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>69,431</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 60,474</u></u>

See accompanying notes and accountant's report.



**CITY OF REFUGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**October 31, 2003**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

City of Refuge, Inc. (the "Organization") is a non-profit organization providing assistance and counseling to the community for drug and alcohol prevention programs, teen pregnancy prevention programs, welfare to work programs, and other educational programs that promote the general welfare of the community. The organization is located in Kenner, Louisiana.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Property and Equipment**

The Organization capitalizes all expenditures for property and equipment in excess of \$100. Property and equipment is recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using a straight-line method over the estimated useful lives of the assets.

**Investments**

Under SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**CITY OF REFUGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**October 31, 2003**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

All Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a temporary restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Income Taxes**

The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

**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 support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - INVESTMENTS**

Investments as of October 31, 2003 are stated at fair value and consist of a fixed interest account offered through a deferred annuity contract, as follows:

	<u>Cost</u>	<u>Fair Value</u>
Fixed Interest Account (Deferred Annuity Contract)	<u>\$33,000</u>	<u>\$34,473</u>

The investments are not covered by federal depository insurance.

The following schedule summarizes the investment return and its classification in the statement of activities for the fiscal year ended October 31, 2003:

	<u>Unrestricted</u>
Unrealized gain	<u>\$1,473</u>

**CITY OF REFUGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**October 31, 2003**

**NOTE 3 - LONG-TERM DEBT**

Long-term debt at October 31, 2003 consists of the following:

Mortgage note payable to Escrow Services with interest at 11%, principal and interest payments due in monthly installments of \$293, through 2007, collateralized by the property.	\$ 10,684
Less Current Portion	<u>(2,470)</u>
Total Long-Term Debt	<u>\$ 8,214</u>

The future minimum debt payments are as follows:

Year Ended October 31,	
2004	\$ 2,470
2005	2,756
2006	3,075
2007	<u>2,383</u>
	<u>\$ 10,684</u>

**NOTE 4 - FUNCTIONAL ALLOCATIONS OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

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## **Accountant's Report on Applying Agreed-Upon Procedures**

Board of Directors of  
**City of Refuge, Inc.**  
Kenner, Louisiana 70062

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of City of Refuge, Inc., the Legislative Auditor, State of Louisiana, and applicable grantor agencies solely to assist the users in evaluating management's assertions about City of Refuge Inc.'s compliance with certain laws and regulations during the year ended October 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 and applicable standards of *Government Auditing Standards*. 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.

City of Refuge, Inc.'s federal, state, and local award expenditures for the fiscal year by grant and grant year are as follows:

<u>Grant Name</u>	<u>Grant Year</u>	<u>CFDA</u>	<u>Amount</u>
Act 13 Appropriation for 2002	2002-2003	N/A	\$ 69,917
Community Development Block Grant Summer Program	2003	14.218	22,000
Welfare-to-Work Competitive Grant Program	2003	17.253	<u>34,475</u>
<b>TOTAL EXPENDITURES</b>			<u><b>\$126,392</b></u>

2. For each federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the eighteen disbursements to supporting documentation as to proper amount and payee.

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

4. For the items selected in procedure 2, we determined if the eighteen disbursements were properly coded to the correct fund and general ledger account.

The eighteen disbursements were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the eighteen disbursements received approval from the proper authorities.

Inspection of the documentation supporting each of the eighteen disbursements indicated approvals from the Executive Director.

6. For the items selected in procedure 2: For Federal Awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed and unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed, noting compliance with the allowability requirements.

Eligibility:

We reviewed the previously listed disbursements for eligibility requirements, noting compliance with the eligibility requirements.

Reporting

We reviewed the previously listed disbursements for reporting requirements, noting compliance with the reporting requirements.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The eighteen disbursements selected included one Federal program that was closed out during the period of our review. We compared the close-out report for the one Federal program with the entity's financial records. The amounts reported on the close-out report agreed to the entity's financial records.

### *Meetings*

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

City of Refuge, Inc. did not have any meetings during the fiscal year.

### *Comprehensive Budget*

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for federal and state grants included specific goals and objectives and measures of performance.

City of Refuge, Inc. provided comprehensive budgets to the federal and state grantors for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of these projects, and plans showing specific goals and objectives that included measures of performance.

### *Prior Comments and Recommendations*

10. We reviewed any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year comments and recommendations.

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 City of Refuge, Inc., the Legislative Auditor (State of Louisiana), and the applicable grantor agencies 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Reboue & Company*

April 2, 2004



LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Quasi-public Entities)

3-15-04 (Date Transmitted)

Rebowe & Company  
Certified Public Accountants  
PO Box 6952 3501 N. Causeway Bld.  
Metairie, La. 70002 (Auditors)

In connection with your compilation of our financial statements as of October 31, 03 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation). March 2004

**Federal, State, and Local Awards**

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [] No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [] No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The City of Refuge, Inc. Did not have any public meetings during the year.

Yes  No  N/A

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes  No

**Prior Year Comments**



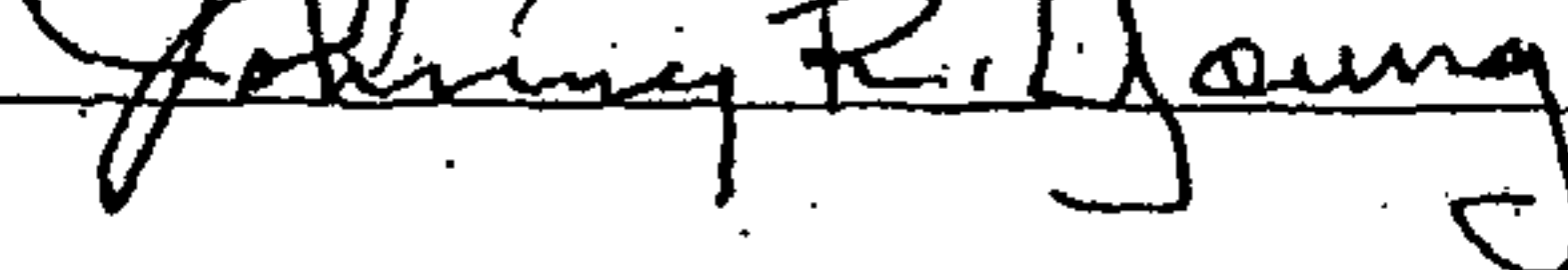
We have resolved all prior-year recommendations and/or comments.

There are no prior-year recommendations and/or comments.

Yes  No  N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

	Secretary	3/3/04	Date
	Treasurer	3/3/04	Date
	President	3/3/04	Date