

RECEIVED  
LEGISLATIVE COUNCIL

93 SEP 20 AM 9:03

1997  
These documents  
derive from the  
copy and PLAGI  
BANK in 1997

# SUNRISE HUMAN DEVELOPMENT AGENCY

Donaldsonville, Louisiana

## FINANCIAL REPORT

June 30, 1997

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or reviewed, orally 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.

Revised Date: ~~SEP 13 1997~~

**SUNRISE HUMAN DEVELOPMENT AGENCY**  
Donaldsonville, Louisiana

**TABLE OF CONTENTS**

June 30, 1997

	<b>Exhibit</b>	<b>Page</b>
<b>INDEPENDENT AUDITORS' REPORT</b>		<b>1</b>
<b>FINANCIAL STATEMENTS</b>		
Statements of Financial Position	<b>A</b>	<b>2</b>
Statements of Activities	<b>B</b>	<b>3</b>
Statements of Cash Flows	<b>C</b>	<b>4</b>
Notes to Financial Statements	<b>D</b>	<b>5</b>
<b>SPECIAL INDEPENDENT AUDITORS' REPORTS</b>		
Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		<b>9</b>
Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		<b>11</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Sunrise Human Development Agency  
Donaldsonville, Louisiana

We have audited the accompanying statements of financial position of **SUNRISE HUMAN DEVELOPMENT AGENCY** (a non-profit corporation) as of June 30, 1997 and 1996, and the related statements of revenues, expenses and fund balances, and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 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. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **SUNRISE HUMAN DEVELOPMENT AGENCY** at June 30, 1997 and 1996, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

As discussed in Note 4 to the financial statements, **SUNRISE HUMAN DEVELOPMENT AGENCY** changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

In accordance with Government Auditing Standards, we have also issued reports dated August 7, 1997, in our consideration of **SUNRISE HUMAN DEVELOPMENT AGENCY**'s internal control structure and on its compliance with laws and regulations.

A handwritten signature in cursive script that reads "Faulk Winkler LLC".

Certified Public Accountants

Baton Rouge, Louisiana  
August 7, 1997

**SUNRISE HUMAN DEVELOPMENT AGENCY**  
 Donaldsonville, Louisiana

**STATEMENTS OF FINANCIAL POSITION**

June 30, 1997 and 1996

<b>ASSETS</b>		
	<b>1997</b>	<b>1996</b>
<b>CURRENT</b>		
Cash	\$ 7,284	\$ -
Accounts receivable	24,486	888
Prepaid expenses	1,250	-
Total assets	33,020	888
<b>PROPERTY AND EQUIPMENT, net</b>		
	13,673	25,145
Total assets	\$ 46,693	\$ 24,033
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 875
Bank overdraft	-	1,414
Accrued expenses	5,004	5,888
Total current liabilities	5,004	7,777
<b>NET ASSETS</b>	41,689	16,256
Total liabilities and net assets	\$ 46,693	\$ 24,033

The accompanying notes to financial statements  
 are an integral part of this statement.

**SUNRISE HUMAN DEVELOPMENT AGENCY**  
Donaldsonville, Louisiana

**STATEMENTS OF ACTIVITIES**

For the years ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>REVENUE</b>		
Grants		
Louisiana Office of Urban Affairs & Development	\$ 15,085	\$ 303,590
Louisiana Office of Community Services	304,000	-
Other	24,614	29,590
Interest	480	4,797
Medicaid	<u>3,277</u>	<u>13,132</u>
Total revenue	<u>347,456</u>	<u>349,117</u>
<b>EXPENSES</b>		
Direct services	220,271	242,913
General and administrative	<u>101,582</u>	<u>120,852</u>
Total expenses	<u>321,853</u>	<u>363,765</u>
Change in net assets	25,603	(14,648)
<b>NET ASSETS - UNRESTRICTED</b>		
Beginning of year	<u>16,256</u>	<u>30,284</u>
End of year	<u>\$ 41,859</u>	<u>\$ 16,256</u>

The accompanying notes to financial statements  
are an integral part of this statement.

## SUNRISE HUMAN DEVELOPMENT AGENCY

Donaldsonville, Louisiana

## STATEMENTS OF CASH FLOWS

For the years ended June 30, 1997 and 1996

	1997	1996
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 23,435	\$ (14,028)
Adjustments to changes in net assets:		
Depreciation	9,471	9,400
Change in operating assets and liabilities:		
Accounts receivable	(23,598)	(13)
Prepaid expenses	(1,250)	799
Accounts payable	(875)	875
Accrued expenses	(483)	(1,543)
Deferred grant revenue	-	(17,508)
	<u>1,698</u>	<u>(22,003)</u>
Net cash provided (used) by operating activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from debt issuance	35,000	-
Payments to retire debt	<u>(35,000)</u>	<u>-</u>
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	1,698	(22,003)
<b>CASH/BANK OVERSIGHT</b>		
Beginning of year	<u>(1,414)</u>	<u>20,552</u>
End of year	<u>\$ 3,284</u>	<u>\$ (1,414)</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**SUNRISE HUMAN DEVELOPMENT AGENCY**  
Donaldsonville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

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

**Organization and operations**

Sunrise Human Development Agency (SHDA) is a non-profit corporation whose purpose is to promote and enhance the social and economic welfare of the general population of Assumption, St. James, St. John, Iberville and Assumption Parishes, State of Louisiana. SHDA promotes parenting skills and literacy, and educates the population on substance abuse.

**Basis of presentation**

The financial statements of SHDA have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements.

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, SHDA is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. SHDA does not have any temporarily restricted or permanently restricted net assets at June 30, 1997 and 1996.

The statement of activities presents the expense of SHDA operations functionally between program services, and general and administrative.

**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 during the reporting period. Actual results could differ from these estimates. Estimates are used primarily when accounting for depreciation.

**Cash**

For purposes of the statement of cash flows, SHDA considers cash in bank accounts or cash. SHDA has no cash equivalents at June 30, 1997 and 1996.

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

Account receivable represents a grant from the Office of Community Services.

**Furniture, equipment and depreciation**

Furniture and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

**Line of Credit**

SHDA has an unused line of credit in the amount of \$32,000 at June 30, 1997. The agreement expires on September 9, 1997.

**Income taxes**

Stanley Human Development Agency is a non-profit agency and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Reclassifications**

Certain amounts in the June 30, 1996, financial statements have been reclassified to conform with the June 30, 1997, financial statement presentation.

**NOTE 2 - FURNITURE AND EQUIPMENT**

Furniture and equipment, related services fees, and accumulated depreciation at June 30, 1997 and 1996 are as follows:

	Estimated Service Lives	<u>1997</u>	<u>1996</u>
Equipment	5 - 7 years	\$ 31,295	\$ 31,295
Furniture	7 years	16,277	16,277
Vehicles	5 years	<u>33,492</u>	<u>33,492</u>
		81,062	81,062
Less accumulated depreciation		<u>(47,389)</u>	<u>(37,917)</u>
		<u>\$ 33,673</u>	<u>\$ 43,145</u>

Depreciation expense was \$9,471 and \$9,650 for the years ended June 30, 1997 and 1996, respectively.



**NOTE 3 - ECONOMIC DEPENDENCY**

Revenues from the State of Louisiana, for the years ended June 30, 1997 and 1996, are \$308,879 and \$521,500, respectively. Accordingly, SHDA is economically dependent on the State of Louisiana.

**NOTE 4 - CHANGES IN ACCOUNTING PRINCIPLES**

SHDA adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations* as of June 30, 1994.

SFAS No. 116 requires SHDA to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values.

SFAS No. 117 established standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

As permitted by these new statements, SHDA has discontinued the use of fund accounting and has, accordingly, reclassified its financial statements to present the required classes of net assets. This reclassification had an effect on the change in net assets for the current fiscal year.

Special Independent Auditors' Reports

**SUNRISE HUMAN DEVELOPMENT AGENCY**

Donaldsonville, Louisiana

June 30, 1987



**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Sunrise Human Development Agency  
Donaldsonville, Louisiana

We have audited the financial statements of SUNRISE HUMAN DEVELOPMENT AGENCY (a non-profit corporation) as of and for the year ended June 30, 1997, and have issued our report thereon dated August 7, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of SUNRISE HUMAN DEVELOPMENT AGENCY is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of SUNRISE HUMAN DEVELOPMENT AGENCY for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management and the Legislative Auditors. However, this report is a matter of public record, and its distribution is not limited.

*James R. Kopp*

Certified Public Accountants

James R. Kopp, Louisiana  
August 7, 1997



**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Sunrise Human Development Agency  
Donaldsonville, Louisiana

We have audited the financial statements of **SUNRISE HUMAN DEVELOPMENT AGENCY** (a non-profit corporation) as of and for the year ended June 30, 1997, and have issued our report thereon dated August 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to **SUNRISE HUMAN DEVELOPMENT AGENCY** is the responsibility of the organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the organization's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the board of directors, management and the Legislative Auditors. However, this report is a matter of public record, and its distribution is not limited.

Certified Public Accountants

Baton Rouge, Louisiana  
August 3, 1997