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LEGISLATIVE AUDIT

SUNRISE HUMAN DEVELOPMENT AGENCY

Donaldsonville, Louisiana

FINANCIAL REPORT

June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewing, 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 SEP 25 1996

SUNRISE HUMAN DEVELOPMENT AGENCY
Donaldsonville, Louisiana

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Sunrise Human Development Agency
Donaldsonville, Louisiana

We have audited the accompanying balance sheets of **SUNRISE HUMAN DEVELOPMENT AGENCY** (a non-profit corporation) as of June 30, 1996 and 1995, and the related statements of revenues, expenses and fund balance, 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 opinion.

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, 1996 and 1995, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued reports dated August 2, 1996, in our consideration of **SUNRISE HUMAN DEVELOPMENT AGENCY's** internal control structure and on its compliance with laws and regulations.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
August 2, 1996

SUNRISE HUMAN DEVELOPMENT AGENCY
 Donaldsonville, Louisiana

BALANCE SHEETS

June 30, 1996 and 1995

	ASSETS	
	<u>1996</u>	<u>1995</u>
CURRENT		
Cash	\$ -	\$ 30,597
Accounts receivable	888	875
Prepaid expenses	-	709
	<u>888</u>	<u>32,181</u>
Total current assets		
	<u>888</u>	<u>32,181</u>
PROPERTY AND EQUIPMENT, net	<u>35,146</u>	<u>32,549</u>
Total assets	<u>\$ 34,034</u>	<u>\$ 34,816</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 875	\$ -
Bank overdraft	1,414	-
Accrued expenses	5,488	3,831
Deferred grant revenue	-	17,990
	<u>7,777</u>	<u>34,821</u>
Total current liabilities		
	<u>7,777</u>	<u>34,821</u>
FUND BALANCE	<u>16,257</u>	<u>30,785</u>
Total liabilities and fund balance	<u>\$ 34,034</u>	<u>\$ 34,816</u>

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

SUNRISE HUMAN DEVELOPMENT AGENCY
Donaldsonville, Louisiana

STATEMENTS OF REVENUES, EXPENSES AND FUND BALANCE

For the years ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
REVENUES		
Grants:		
Louisiana Office of Urban Affairs & Development	\$ 304,000	\$ 304,000
Other	29,968	17,423
Interest	4,707	5,907
Medicaid	<u>31,132</u>	<u>3,959</u>
Total revenues	<u>369,737</u>	<u>331,291</u>
 OPERATING EXPENSES		
Direct services	342,914	257,438
General and administrative	<u>120,853</u>	<u>147,965</u>
Total expenses	<u>463,767</u>	<u>405,403</u>
Excess of expenses over revenues	(14,028)	(54,852)
 FUND BALANCE		
Beginning of year	<u>30,285</u>	<u>84,337</u>
End of year	<u>\$ 16,257</u>	<u>\$ 30,285</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, 1996 and 1995

	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	\$ (14,028)	\$ (34,857)
Adjustments to excess of expenses over revenues:		
Depreciation	9,405	31,742
Change in operating assets and liabilities:		
Accounts receivable	(35)	135
Prepaid expenses	799	12,367
Accounts payable	875	(1,650)
Accrued expense	(1,543)	4,154
Deferred grant revenue	<u>(17,809)</u>	<u>37,802</u>
Net cash provided (used) by operating activities	(22,007)	16,188
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed asset acquisitions	<u>-</u>	<u>(34,850)</u>
Net decrease in cash	(22,007)	(18,662)
CASH (BANK OVERDRAFT)		
Beginning of year	<u>20,483</u>	<u>34,457</u>
End of year	<u>\$ (1,414)</u>	<u>\$ 20,795</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

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.

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 disclosures 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.

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.

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.

Deferred grant revenue

Deferred grant revenue represents grants received for the subsequent fiscal year.

Income taxes

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Accounting pronouncements issued but not yet adopted**

The Financial Accounting Standards Board issued Financial Accounting Standards No. 116 (SFAS 116), "Accounting for Contributions Received and Contributions Made", which established standards for recognizing explanations of restrictions on contributions received and for accounting for collections of works of art, historical treasures, and similar assets acquired by contribution. The effective date of this pronouncement is for fiscal years beginning after December 15, 1995, with earlier application encouraged. The adoption of SFAS 116 is not expected to have a significant impact on the Agency's financial statements.

The Financial Accounting Standards Board also issued Financial Accounting Standards No. 117 (SFAS 117), "Financial Statements of Not-For-Profit Organizations". The objective of this pronouncement is to enhance the relevance, understandability, and comparability of financial statements issued by not-for-profit organizations. This SFAS will require items to be classified based on the existence or absence of donor-imposed restrictions. The effective date for SFAS 117 is for fiscal years beginning after December 15, 1995, with earlier application encouraged. The adoption of SFAS 117 is not expected to have a significant impact on the Agency's financial statements.

NOTE 2 - FURNITURE AND EQUIPMENT

Furniture and equipment, related services lives, and accumulated depreciation at June 30, 1996 and 1995 are as follows:

	Estimated Service Lives	1996	1995
Equipment	5 - 7 years	\$ 31,285	\$ 31,285
Furniture	3 years	16,277	16,277
Vehicles	3 years	33,482	33,482
		81,044	81,044
Less accumulated depreciation		(57,918)	(68,512)
		<u>\$ 23,126</u>	<u>\$ 12,532</u>

Depreciation expense was \$9,469 and \$11,742 for the years ended June 30, 1996 and 1995, respectively.

NOTE 3 - ECONOMIC DEPENDENCY

Revenues from the State of Louisiana, for the years ended June 30, 1996 and 1995, are \$329,590 and \$384,908, respectively.

Special Independent Auditors' Reports
SUNRISE HUMAN DEVELOPMENT AGENCY
Donaldsonville, Louisiana

June 30, 1990



**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, 1996, and have issued our report thereon dated August 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 executed 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, 1996, 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 in order 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 Auditor. However, this report is a matter of public record, and its distribution is not limited.

Frank A. Schmitt, CICA
Certified Public Accountant

Baton Rouge, Louisiana
August 2, 1996



**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, 1996, and have issued our report thereon dated August 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 Auditor. However, this report is a matter of public record, and its distribution is not limited.

Faulk & Winkler, L.L.C.
Certified Public Accountants

Baton Rouge, Louisiana
August 2, 1996