

## CHILDREN'S TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

##### Fund Accounting:

The accounts of the Children's Trust Fund are organized on the basis of funds and account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are grouped into one generic fund type and two broad fund categories as follows:

##### Governmental Fund Types

Governmental funds are those through which most governmental functions of the Children's Trust Fund are financed. The acquisition, use, and balances of the Children's Trust Fund's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Children's Trust Fund's governmental fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

##### Basis of Accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

DO NOT SIGN OUT

CHILDREN'S TRUST FUND (ORIGINATOR'S COPY)  
EX. Polk, LouisianaRECEIVED  
SEP 22 1936  
STATE OF LOUISIANAANNUAL SWORN FINANCIAL STATEMENTS AND  
CERTIFICATION OF REVENUES \$50,000 OR LESS

The annual sworn financial statements are required by Louisiana Revised Statute 24:512 to be filed with the Office of Legislative Auditor within 60 days after the close of the fiscal year. The certification of revenues \$50,000 or less, if applicable, is required by Louisiana Revised Statute 24:512(1)(1)(2)(3).

Personally came and appeared before the undersigned authority, Idris Price, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Children's Trust Fund as of June 30, 1936, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Idris Price, who, duly sworn, deposes and says that the Children's Trust Fund received \$50,000 or less in revenues and other sources for the fiscal year ending June 30, 1936, and accordingly, is not required to have an audit for the previously mentioned fiscal year end.

*Idris Price*  
Signature

Given to and subscribed before me this 25th day of September, 1936

*Robt. J. Williams*  
NOTARY PUBLIC

Officer *Idris E. Price*  
Address *P.O. Box 1803*  
*St. Louis, La. 71253*  
Telephone No. *514-128-6868*

## CHILDREN'S TRUST FUND

Exhibit A

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 1998

	Account Group		Totals (Memorandum Only)
	Fund Types Special Revenue	General Fixed Assets	
<b>ASSETS</b>			
Cash (Note 4)	\$20,587	\$ ---	\$20,587
Accounts receivable	---	---	---
Furniture and equipment (Note 5)	---	1,834	1,834
Total assets	\$20,587	\$1,834	\$22,421
<b>LIABILITIES</b>			
Accounts payable	\$ ---	\$ ---	\$ ---
Total liabilities	\$ ---	\$ ---	\$ ---
<b>FUND EQUITY</b>			
Fund equity:			
Investment in general fixed assets (Note 5)	\$ ---	\$1,834	\$1,834
Fund balances:			
Unreserved:			
Undesignated	20,587	---	20,587
Total fund balance	20,587	---	20,587
Total fund equity	20,587	1,834	22,421
Total liabilities and fund equity	\$20,587	\$1,834	\$22,421

The accompanying notes are an integral part of this statement.

CHILDREN'S TRUST FUND

NOTICE TO THE FINANCIAL STATEMENTS

June 30, 1996

Note 1 - History of the Business and Summary of Significant Accounting Policies

Nature of the business:

Organization purposes:

The basic purposes of the Children's Trust Fund "CTF" are as follows:

- A. To provide emotional support for parents and parent-to-be of newborns.
- B. To provide educational material to new parents and parent-to-be.
- C. To provide these services on a strictly voluntary basis.
- D. To provide these services in a home visit atmosphere.

Significant Accounting Policies:

Financial reporting entity:

This report includes all funds and account groups which are controlled by or dependent on the Children's Trust Fund. Control by or dependence on the Children's Trust Fund was determined on the basis of budget adoption, appointment of governing body, and other general oversight responsibility.

Statement of Presentation:

The accompanying financial statements conform to generally accepted accounting principles for local government units as prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles published by the National Council on Governmental Accounting; Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; and, the revised Louisiana Municipal Audit and Accounting Guide.

Organization:

The Children's Trust Fund was established to provide for training new and expectant mothers in infant care.

## CHILDREN'S TRUST FUND

### NOTE TO THE FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 1 - Nature of the Business and Summary of Significant Accounting Policies (CONTINUED)

##### Transfers:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts.

##### Budgets and budgetary information:

The CTF follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Office of Community Services "OCS" - State of Louisiana notifies the Children's Trust Fund each year as to the funding levels for the current year grant.
2. The Program Director prepares a proposed budget based on the funding levels provided by OCS and then submits the budget to the Board of Directors for approval.
3. The Board of Directors reviews and adopts the budget prior to June 30 each year.
4. The adopted budget is forwarded to the Office of Community Services for final approval.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The Budget for the Special Revenue Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Directors of the CTF. Such amendments were not material in relation to original appropriation.
7. Expenditures cannot legally exceed appropriations on an individual fund level.

##### Total Columns of Combined Statements - Overview:

Total columns on the combined statements - overview are captioned "non-recurring only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity

## CHILDREN'S TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### Note 1 - Nature of the Business and Summary of Significant Accounting Policies (Continued)

with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### Fixed Assets:

All items of property, plant and equipment are recorded as expenditures when purchased and are recorded for in the General Fixed Assets group of accounts. Such assets are maintained on a basis of original cost or estimated original cost if original cost is not available and no depreciation is computed or recorded thereon. Depreciated fixed assets are stated at their estimated fair market value on the date reported.

#### Note 2 - Funding Policies and Sources of Funds

The Children's Trust Fund receives its monies on a grant basis from the Office of Community Services under two programs: the Welcoming Baby Program and the Tender Loving Care Program. Under this method funds are received as needed or on a monthly or quarterly allocation of the total budget (grant) in advance of the actual expenditures.

The Children's Trust Fund also receives monthly funding allotments from Fort Worth.

The Children's Trust Fund encourages and receives contributions from citizens to help offset the costs of programs.

#### Note 3 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

#### Note 4 - In-Kind Contributions

The Children's Trust Fund received various in-kind contributions during the period under examination. There were inadequate records to determine proper value of these contributions. While the value of these contributions has not been reported, the offsetting expenses have not been incurred.

CHILDREN'S TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 1, 1995	Additions	Retirements	Balance June 30, 1996
Equipment	\$ 1,834	\$ _____	\$ _____	\$ 1,834

Note 6 - Cash Collateral

As of June 30, 1996, cash and investments held by Children's Trust Fund was insured in full by FDIC (Federal Depositors Insurance Corporation) insurance at each of the respective financial institutions where deposited.

Note 7 - Prior period adjustment

In 1996, accounts receivable was adjusted for revenue relating to 1995. The appropriate adjustment has been recorded as a prior period adjustment with a charge to retained earnings.

Exhibit B

CHILDREN'S TRUST FUND  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES

For the fiscal year ended June 30, 1966

	Special Revenue Fund Type
<b>REVENUES</b>	
Revenue--office of community services	\$11,664
Miscellaneous revenue--Port Polk sources	<u>39,384</u>
Total revenues	45,828
<b>EXPENDITURES</b>	
Salaries and fringe	30,880
Travel	1,325
Operating services	1,642
Operating supplies	3,369
Other costs	1,314
Capital outlay (Note 5)	<u>-----</u>
Total expenditures	45,298
Excess (deficiency) of revenues over expenditures	(71)
<b>FUND BALANCES</b>	
Beginning of year	20,888
Prior period adjustment (Note 7)	<u>(4,218)</u>
Beginning of year, as restated	16,670
End of year	<u>16,609</u>

The accompanying notes are an integral part of this statement.