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**LAKESHORE AREA SENIOR ADULT MINISTRY, INC.**

**FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT**

**JUNE 30, 1998**

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

Electronic Date DEC 2 8 2000

**LACEVIEW AREA SENIOR ADULT MINISTRIES, INC.****TABLE OF CONTENTS**

	<b>PAGE</b>
<b>Independent Auditor's Report</b>	<b>3</b>
<b>Financial Statements</b>	
<b>Statement of Financial Position</b>	<b>4</b>
<b>Statement of Activities</b>	<b>5</b>
<b>Statement of Functional Expenses</b>	<b>6</b>
<b>Statement of Cash Flows</b>	<b>7</b>
<b>Notes to Financial Statements</b>	<b>8</b>
<b>Supplemental Information</b>	
<b>Statement of Activities by Program</b>	<b>13</b>
<b>Schedule of Actual Expenditures Compared to Budget</b> <b>State Senior Center Program - Formula Funds</b>	<b>14</b>
<b>Schedule of Actual Expenditures Compared to Budget</b> <b>State Senior Center Program - Special Use/Avoc Funds</b>	<b>15</b>
<b>Report on Compliance and on Internal Control Over Financial</b> <b>Reporting Based on an Audit of Financial Statements Performed</b> <b>in Accordance with Government Auditing Standards</b>	<b>16</b>
<b>Schedule of Findings and Questioned Costs</b>	<b>18</b>
<b>Status of Prior Year Audit Findings</b>	<b>19</b>
<b>Management Response to Audit Finding</b>	

**John C. Todd, Jr., C.P.A., P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors, Inc.  
Lakewood Area Senior Adult Ministry, Inc.

I have audited the accompanying statements of financial position of Lakewood Area Senior Adult Ministry, Inc. is nonprofit corporation as of June 30, 1998, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 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 statements presentation. I believe that my audit provides 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 Lakewood Area Senior Adult Ministry, Inc. as of June 30, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements of Lakewood Area Senior Adult Ministry, Inc. taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Lakewood Area Senior Adult Ministry, Inc. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued my report dated August 25, 1998 on my consideration of Lakewood Area Senior Adult Ministry, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Metairie, Louisiana  
August 25, 1998

LARENTER AREA SENIOR ADULT INDUSTRY, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 1998

ASSETS

		TOTAL MEMBERSHIP-ONLY <u>June 30, 1997</u>
Cash	\$ 18,888	\$ 17,878
Certificates of deposit	126,854	120,898
Investment securities (Notes A) and B)	21,779	489
Receivables:		
Other	\$ 983	429
Accrued interest	___ 1,762	1,887
Property and equipment - at cost (Note A-1)	\$ 54,389	52,188
Less accumulated depreciation	(52,739)	(21,889)
<b>Total assets</b>	<b>\$ 187,938</b>	<b>\$ 182,969</b>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 2,634	\$ 2,399
Commitment (Note C)	___ 700	___ 700
<b>Total liabilities</b>	<b>2,634</b>	<b>2,399</b>
Net assets (Note D):		
Unrestricted	___ 185,304	___ 180,570
<b>Total net assets</b>	<b>___ 185,304</b>	<b>___ 180,570</b>
<b>Total liabilities and net assets</b>	<b>\$ 187,938</b>	<b>\$ 182,969</b>

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

LAKEVIEW AREA SENIOR ADULT MINISTRIES, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 1998

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL ASSETS AND LIABILITIES FOR THE YEAR ENDING June 30	
			1998	1997
<b>PUBLIC SUPPORT AND RECEIPTS</b>				
<b>Public Support</b>				
United Way contribution	\$ -	\$ 4,000	\$ 4,000	\$ 40,070
United Way development	8,000	-	8,000	1,000
OTV Contribution	575	-	575	40
Food Medals	50,000	-	50,000	54,900
Special events (Net of direct costs of \$4,470)	15,870	-	15,870	14,070
Program contributions	12,000	-	12,000	13,000
Fees and grants from government agencies	-	14,400	14,400	45,900
Investment income	7,000	-	7,000	7,000
Other income	1,194	-	1,194	1,700
Net assets included from prior years	30,440	(30,440)	-	-
<b>TOTAL ASSETS/LIABILITIES</b>	<b>126,479</b>	<b>-</b>	<b>126,479</b>	<b>164,070</b>
<b>EXPENSES</b>				
Administrative				
Office Supplies	44,000	-	44,000	64,000
Travel	7,000	-	7,000	7,000
Food	19,000	-	19,000	20,000
Total program services	70,000	-	70,000	70,000
Supporting Services				
Management and general	20,000	-	20,000	20,000
<b>TOTAL EXPENSES</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>
Income from assets	500	-	500	500
Net assets, beginning of year	(30,000)	-	(30,000)	(30,000)
Net assets, end of year	<b>\$ 26,479</b>	<b>\$ -</b>	<b>\$ 26,479</b>	<b>\$ 64,570</b>

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

LAKYVIEW AREA SENIOR ADULT MINISTRY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 1999

	HOME SERVICES	SCOUTS DEVELOPMENT	MANAGEMENT AND GENERAL	TOTAL PROGRAMS ONLY For the year ended June 30	
				1998	1997
Compensation expense	\$ 51,300	\$ 51,300	\$ 12,375	\$ 118,000	\$ 119,900
Occupancy	2,000	12,953	3,571	18,617	17,600
Travel	410	9,700	-	6,110	4,340
Other direct program expenses	4,300	4,300	7,360	17,015	16,411
Total expenses before depreciation	62,010	78,253	23,206	160,584	158,251
Depreciation	425	425	-	850	850
	\$ 62,435	\$ 78,678	\$ 23,206	\$ 161,434	\$ 159,101

The accompanying notes are an integral part of the financial statements.

## LAKELAND AREA SENIOR ADULT CENTER, INC.

## STATEMENT OF CASH FLOWS

For the year ended June 30, 1998

Increase (decrease) in cash and cash equivalents

Cash flows from operating activities:

Increase in net assets

\$ 9,713

Adjustments to reconcile increase in net

Assets to net cash provided by operating activities

Depreciation

858

Investment securities - donated

&lt; 1,813

Unrealized appreciation on investment securities

&lt; 388

Changes in assets and liabilities:

Increase in other receivables

&lt; 414

Increase in accrued interest receivable

&lt; 15

Increase in accounts payable and accrued liabilities

...5,476

Net cash provided by operating activities

...3,468

Cash flows from investing activities:

Maturities of certificates of deposit

128,088

Purchase of certificates of deposit

...&lt;155,851

Net cash used in investing activities

...&lt;26,763

Net decrease in cash and cash equivalents

&lt; 2,895

Cash and cash equivalents, beginning of year

...12,472

Cash and cash equivalents, end of year

\$ ...14,608

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

**LAKEVIEW AREA SENIOR ADULT MINISTRY, INC.**

**NOTE TO FINANCIAL STATEMENTS**

*June 30, 1998*

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

A summary of the corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**1. Nature of Activities**

Lakeview Area Senior Adult Ministry, Inc. is a non-profit corporation organized for the purpose of providing Social Development and Home Services to elderly residents of the Lakeview Community of Orleans Parish.

The corporation is supported primarily by the United Way for the Greater New Orleans Area and grants from the State of Louisiana. United Way of the Greater New Orleans Area funding represented approximately 30% and grants from the State of Louisiana represented approximately 32% of funding for the year ended June 30, 1998.

**2. Presentation of Financial Statements**

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Non-Profit Organizations". Accordingly, the net assets of the corporation are reclassified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

**3. Revenue Recognition**

For financial reporting, the corporation recognizes all contributed support as income in the period received. Distributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".



LAKESHORE AREA SENIOR ADULT MINISTRY, INC.

NOTE TO FINANCIAL STATEMENTS

June 30, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. **Investments**

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 changes in net assets.

5. **Property and equipment**

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. Depreciation expense for the year ended June 30, 1998 totaled \$200.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$1,000.

6. **Cash equivalents**

For the purpose of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

7. **Functional allocation of expenses**

The expense of providing the program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain of these expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

8. **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

9. **Fair Values of Financial Investments**

Cash, cash equivalents, and temporary investments carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of these investments. The fair values of marketable securities are based on quoted market prices for those of similar investments.

LAKETERRA AREA SENIOR ADULT MINISTRY, INC.

NOTE TO FINANCIAL STATEMENTS

June 30, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

16. Total Columns of Combined Statements - Structure:

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Entries in such items comparable to a consolidation.

NOTE B - INVESTMENT SECURITIES

Investment securities at June 30, 1998 consist of the following:

	<u>Booked Value</u>	<u>Fair Market Value</u>
Equity Securities	\$ 3,200	\$ 2,177

The unrealized appreciation as of and for the year ended June 30, 1998 totaled \$708.

The investment income for the year ended June 30, 1998 consists of the following:

Interest income	\$ 6,875
Unrealized appreciation on investment securities	____ 358
	\$ 7,233

NOTE C - COMMITMENT

The corporation leased property located at 6138 Canal Boulevard, New Orleans, Louisiana for use as a program facility and its administrative offices.

Following is a schedule of future minimum lease payments required under the above lease.

<u>Year ended</u>	
June 30, 1999	\$ 12,000

Rental expense for the year ended June 30, 1998 totaled \$13,000.

LAKESHORE AREA SENIOR ADULT MINISTRY, INC.

NOTE TO FINANCIAL STATEMENTS

June 30, 1998

**NOTE D - NET ASSETS**

The unrestricted net assets of the corporation at June 30, 1998 are composed of the following accounts:

Operating Account	\$ 19,004
Building Accounts	183,178
Miscellaneous Accounts	17,078
Property Account	1,458
	<u>\$ 194,718</u>

**NOTE E - INCOME TAXES**

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Service.

**NOTE F - CASH FLOW INFORMATION**

For the year ended June 30, 1998, the corporation received a donation of investment securities totaling \$1,843.

**NOTE G - BOARD OF DIRECTORS' COMPENSATION**

The board of directors is a voluntary board, therefore, no compensation was paid to any board member during the year ended June 30, 1998.

## **SUPPLEMENTAL INFORMATION**

LAKESHORE AREA SENIOR ADULT MINISTRY, INC.

STATEMENT OF ACTIVITIES BY PROGRAM

For the year ended June 30, 1999

	<u>Home Services</u>	<u>Social (Recreation)</u>	<u>Total</u>
<b>REVENUE:</b>			
Fund Generated Self Support	\$ -	\$ 2,580	\$ 2,580
Client Generated Self Support	2,800	11,458	14,258
Government Grants & Contracts	27,739	27,739	55,478
Total Self Generated Revenue	30,600	41,777	72,377
United Way Designations	3,686	4,309	8,000
CPC Designations	-	674	674
United Way Allocations	25,998	13,923	39,921
Total Restricted Revenue	29,684	18,906	48,590
Unrestricted Revenue	19,548	24,693	44,241
Grand Total Revenue	79,832	91,567	171,411
<b>EXPENSES:</b>			
Compositional Expenses	94,588	94,198	188,786
Occupancy Expenses	2,083	12,953	15,036
Traavel & Transportation	473	3,798	4,271
Other Direct Program Expenses	4,592	6,308	10,900
Total Program Expenses	101,736	117,257	218,993
Management and General Expenses	38,187	12,900	51,087
Total Expenses	139,923	130,157	270,080
Increase in Net Assets	\$ 39,909	\$ 61,410	\$ 101,319

LAKESHORE AREA SENIOR ADULT MINISTRY, INC.

SCHEDULE OF ACTUAL EXPENDITURES COMPARED TO BUDGET  
STATE SENIOR CENTER PROGRAM - FORMULA FUNDS

For the year ended June 30, 1998

	Budgeted	Actual	Actual Over/Under/ Budget
Salaries	\$ 18,731	\$ 18,731	\$ -
Fringe benefits	6,796	6,796	-
Travel	1,632	1,632	-
Operating services	3,660	3,660	-
	<u>\$ 30,819</u>	<u>\$ 30,819</u>	<u>\$ -</u>

LAKELAND AREA SENIOR ADULT CENTER, INC.

SCHEDULE OF ACTUAL EXPENDITURES COMPARED TO BUDGET  
STATE SENIOR CENTER PROGRAM - SPECIAL LINE ITEM FUNDS

For the year ended June 30, 1998

	Budgeted	Actual	Actual Over (Under) Budget
Personnel	\$ 3,700	\$ 3,700	\$ -
Travel	3,727	3,727	-
Operating services	15,171	15,171	-
Operating supplies	<u>3,200</u>	<u>3,200</u>	<u>-</u>
	\$ 21,808	\$ 21,808	\$ -

# John C. Todd, Jr., C.P.A. CPA

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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

### Board of Directors

Lakeview Area Senior Adult Ministry, Inc.

I have audited the financial statements of Lakeview Area Senior Adult Ministry, Inc. as of and for the year ended June 30, 1998, and have issued my report thereon dated August 25, 1998. 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 Lakeview Area Senior Adult Ministry, Inc.'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 these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Lakeview Area Senior Adult Ministry, Inc.'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 operation 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 judgment, could adversely affect Lakeview Area Senior Adult Ministry, Inc.'s ability to record, process, summarize and report financial data consistent with the objectives of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and operational issues on Item 9B-1.

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 necessarily 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, I believe none of the reportable conditions described above is a material weakness.

WJG/ajc



This report is intended for the information of the audit committee, management and funding sources of the corporation. However, this report is a matter of public record and its distribution is not limited.

*John C. Felt, Jr. C. P. A.*

Monroe, Louisiana  
August 25, 1998

**LAKESHORE AREA SENIOR ADULT MINISTERS, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended June 30, 1998**

**98.1 Segregation of Duties**

Due to the size of the administrative staff, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Executive Director and all accounting functions are performed by the corporation's accountant.

I recommend the Board of Directors continue its significant involvement in the financial affairs of the corporation through review of monthly financial reports and periodic review of the corporation's day to day financial activities.

**QUESTIONED COSTS**

There are no questioned costs for the year ended June 30, 1998.

LAKEVIEW AREA SENIOR ADULT SERVICES, INC.

STATE OF PRIOR YEAR AUDIT FINDINGS

June 30, 1998

	<u>(Revised)</u>	<u>(Unrevised)</u>	<u>Current</u> <u>Findings</u>
1. Segregation of Duties		5	10-1

**LAKELAND AREA SENIOR ADULT MINISTRY, INC.**

**MANAGEMENT RESPONSE TO AUDIT FINDING**

**June 30, 1998**

The Board of Directors monitors the financial operations of Lakeland Area Senior Adult Ministry, Inc. on a regular basis and reviews financial statements monthly.