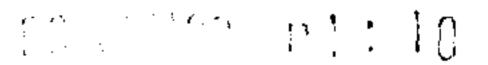
Family Service of Greater Baton Rouge Baton Rouge, Louisiana December 31, 1998

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

Release Date 7-14-99

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Family Service of Greater Baton Rouge Baton Rouge, Louisiana

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H. DANIEL CARROLL, C.P.A. ROBERT E. WALES, C.P.A. J. CHARLES PARKER, C.P.A. LOUIS C. MCKNIGHT, III, C.P.A. ANTHONY J. CRISTINA, III, C.P.A. CHARLES R. PEVEY, JR., C.P.A. DAVID J. BROUSSARD, C.P.A.



8555 UNITED PLAZA BLVD. BATON ROUGE, LOUISIANA 70809 (225) 923-3000 • FAX (225) 923-3008 FIOBERT B. HAWTHORN, C.P.A. [1896-1977] JDHN F. WAYMOUTH, C.P.A. [1902-1987] HOWARD V. CARROLL, C.P.A. [1909-1993]

WARREN C. BER, C.P.A. RETIBED ROBERT J. ZERNOTT, C.P.A RETIBED CARL L. HANCOCK, C.P.A. RETIBED

June 14, 1999

Independent Auditor's Report

Board of Directors Family Service of Greater Baton Rouge Baton Rouge, Louisiana

Members of the Board:

We have audited the accompanying statements of financial position of the

Family Service of Greater Baton Rouge Baton Rouge, Louisiana

as of December 31, 1998 and December 31, 1997, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the entity'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 the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, 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. 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 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 Family Service of Greater Baton Rouge, as of December 31, 1998 and

December 31, 1997, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Family Service of Greater Baton Rouge has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that Family Service of Greater Baton Rouge is or will become year 2000 compliant, that Family Service of Greater Baton Rouge's year 2000 remediation efforts will be successful in whole or in part, or the parties with which Family Service of Greater Baton Rouge does business are or will become year 2000 compliant.

In accordance with <u>Government Auditing Standards</u>, we have also issued our report dated June 14, 1999, on our consideration of the Family Service of Greater Baton Rouge's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Yours truly,

Hawthorn, Waymouth & Carroll, L.L.P.

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Family Service of Greater Baton Rouge **Statements of Financial Position** December 31, 1998 and December 31, 1997

	<u>1998</u>	<u>1997</u>
Assets		
Cash and cash equivalents	\$359,241	\$273,287
Cash restricted for		
Family Loan Program	151,369	
Other cash restricted	1,511	
	<u> </u>	<u> 273,287</u>
Certificates of deposit	25,000	25,000
Receivables		
Service fees (net of allowance for doubtful accounts of		
\$16,000 and \$20,913 for 1998 and 1997, respectively)	18,455	16,334
Grants	143,470	123,793
Miscellaneous		2,671
Prepaid pension cost	113,093	98,920
Other prepaid expenses	13,633	6,870
Land, building and equipment, net	495,597	515,774
Other assets	1,311	1,439
	1 000 (00	1.074.000
Total assets	<u>1,322,680</u>	<u>1,064,088</u>
Liabilities		
Accounts payable	1,974	1,187
Accrued annual leave and other payroll liabilities	27,966	20,594
Daughters of Charity income received in advance	43,360	
Mortgage payable		
Current maturity	9,808	8,989
Mortgage payable, net of current maturity	116,856	126,406
Total liabilities	<u> 199,964</u>	157,176
Nict Aracto		
Net Assets		
Unrestricted	51 500	10 227
Designated by Board for capital improvements and education	54,500	48,337
Undesignated	915,336	858,575
	969,836	906,912
Restricted		
Temporarily	1,511	
Permanently		

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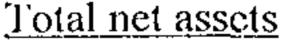
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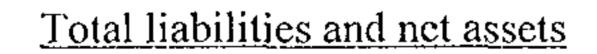
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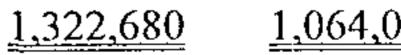
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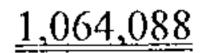






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The accompanying notes are an integral part of these statements.

Family Service of Greater Baton Rouge Statements of Activities and Changes in Net Assets Years Ended December 31, 1998 and December 31, 1997

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	Unre- <u>stricted</u>	Temp- orarily <u>Restricted</u>	Perm- anently <u>Restricted</u>	Total <u>1998</u>	Total <u>1997</u>
Revenue, Gains and Other Support					
Public support					
United Way	\$451,052			\$451,052	\$440,861
Contributions	<u> </u>			<u> </u>	<u> </u>
	504,442			504,442	471,280
Other Revenue					
Service fees	177,597			177,597	184,924
Insurance reimbursement	4,433			4,433	5,947
Title XX-OCS	21,922			21,922	34,933
Parenting Center fees	35,120			35,120	27,698
Interest	16,176		\$1,369	17,545	12,329
Membership dues	11,915			11,915	10,517
Child Abuse Grant	2,000			2,000	6,000
Independent Living Program	186,503			186,503	169,093
Teen Advocate Program\					
First-time Parents	315,242			315,242	262,270
Workshop	. 27,551			27,551	22,767
Children's Trust Fund	24,152			24,152	17,627
Junior League Grant					4,500
Volunteers of America	28,445			28,445	
HIV Hope Grant	43,861			43,861	
Care Coordination Grant	71,217			71,217	
Pennington Family Loan Program			150,000	150,000	
Miscellaneous	571	<u>\$1,511</u>		2,082	<u> 758,605</u>

Total revenue, gain and other					
support (carried forward)	1,471,147	1,511	<u>151,369</u>	1,624,027	<u>1,229,885</u>

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The accompanying notes are an integral part of these statements.

Family Service of Greater Baton Rouge Statements of Activities and Changes in Net Assets Years Ended December 31, 1998 and December 31, 1997

	Unre- <u>stricted</u>	Temp- orarily <u>Restricted</u>	Perm- anently <u>Restricted</u>	Total <u>1998</u>	Total <u>1997</u>
(Amounts brought forward)	<u>\$1,471,147</u>	<u>\$1,511</u>	<u>\$151,369</u>	<u>\$1,624,027</u>	<u>\$1,229,885</u>
Expenses					
Program services					
Counseling Program	563,292			563,292	534,929
Parenting Center	155,265			155,265	123,379
Teen Advocate Program\					
First-time Parents	311,451			311,451	264,091
HIV Hope Program	44,680			44,680	
Care Coordination Program	60,904			60,904	
Pennington Family Loan Program	3,567			3,567	
Independent Living Program	176,094			176,094	166,664
Supporting services					
Management and general	92,970			<u>92,970</u>	74,808
Total expenses	<u>1,408,223</u>			<u>1,408,223</u>	1,163,871
Change in Net Assets	62,924	1,511	151,369	215,804	66,014
Net Assets, beginning of year	906,912			906,912	<u>840,898</u>
Net Assets, end of year	<u>969,836</u>	<u>1,511</u>	<u>151,369</u>	<u>1,122,716</u>	<u>906,912</u>

The accompanying notes are an integral part of these statements.

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1997	Total <u>Expenses</u>	\$711,713 87,473 58,114	933,142	20,607	11,659	15,716	6,281	13,572	12,402	9,039	4,049	16,439		16,720	10,695	25,577	I,46I	7,388	825	2,678		8,592	2,520	3,974	10,000	30,535	230,729	1,163,871
1998	Total <u>Expenses</u>	\$946,857 112,789 68,595	1.128,241	34,491	16,002	14,824	7,459	12,456	11,718	8,753	4,372	12,293		22,610	6,668	171,665	4,038	6,716	521	5,007	25,308	5,818	7,842	5,170	17,750	33,001	279,982	1.408.223
	Adminis- <u>trative</u>	\$25,404 2,844 	<u>30,662</u>	286	514	903	257	676	477	355	372	144		328	1,049	177	309		77	2,508	2,635	200	100	190	17,750	<u>33,001</u>	<u>62,308</u>	<u>92.270</u>
Total	Program <u>Services</u>	\$921,453 109,945 66,181	1,097,579	34,205	15,488	13,921	7,202	Ľ	11,241	8,398	4,000	12,149		22,282	5,619	16,988	3,729	6,716	444	2,499	22,673	5,618	7,742	4,980			217,674	1.315.253
	PFLP	\$1,966 161 147	2,274		676	2					78	Ś		27	505												1.293	3,567
	<u>ILP</u>	\$122,292 17,216 	148,154	980	4,417	1,220	464	1,497	1,503	1,165	436	172		4,808	1,926	787	492	6,188		146		882	176	681			27,940	<u>176.094</u>
	CARE	\$46,642 5,325 2,980	54,947	84	370	382	6	597	535	411	292	309		1,832	35	13	234			62		242	165	304			5,957	<u>60.904</u>
ervices	HOPE	\$27,008 4,788 <u>1.911</u>	33,707	3,900	933	221	77	15			237	349		191	395	3,504	185	98		34		175		89			10,973	44,680
Program Services	FTP	\$124,771 16,920 <u>9,478</u>	<u>151,169</u>	2,447	2,065	2,773	568	750	697	519	472	255		7,692	46	56	1,034	140		122		698	176	458			20.968	172.137
	TAP	\$108,669 11,322 6,948	<u>126,939</u>	986	912	1,089	245	921	<i>LLL</i>	573	274	340		3,151	631	37	<i>L1</i> 6	290	25	98		652		397			12.375	139,314
	Parenting <u>Center</u>	\$95,841 8,713 8,124	112,678	13.340	1,528	1,343	2,682	1,293	885	656	445	7,412		958	950	5,456	17		24	177	3,897	450	623	391			42.587	<u>155.265</u>
	Counseling <u>Program</u>	\$394,264 45,500 27,947	467,711	12.468	4,587	6,891	3,076	6,707	6,844	5,074	1,766	3,307		3,053	1,131	7,135	730		395	1,860	18,776	2,519	8,602	2,660			95,581	563.292
		Salaries and Related Expenses Salaries Employee health and retirement Payroll taxes	Total salaries and related expenses	General Expenses Professional fees	Supplies	Telephone	Postage	Janitorial and maintenance		Utilities	Rental and maintenance of equipment	Printing and publications	Travel	Local	Out of town	Conducting conferences	Attending conferences	Specific assistance	Membership dues	Miscellaneous	Fund-raising expenses	Payments to affiliated organizations	Miscellaneous property and equipment	Insurance	Bad debt	Depreciation	Total general expenses	<u>Total functional expenses</u>

of these statements.

Years Ended December 31, 1998 and December 31, 1997 Family Service of Greater Baton Rouge Statements of Functional Expenses

The accompanying notes are an integral part

Salaries Employee health Payroll taxes	<u>Total salaries</u>	General Expenses Professional fees Supplies Telephone Postage	Janitorial and mai Mortgage interest Utilities Rental and mainte	Travel Travel Local Out of town Conducting c	Attending con Specific assistanc Membership dues Miscellaneous Fund-raising exp Payments to affili	Miscellaneous pr Insurance Bad debt Depreciation	<u>Total gen</u> <u>Total fun</u>
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Family Service of Greater Baton Rouge Statements of Cash Flows Years Ended December 31, 1998 and December 31, 1997

	<u>1998</u>	<u>1997</u>
Cash Flows From Operating Activities		
Change in net assets	\$215,804	\$66,014
Adjustments to reconcile change in net assets to net		
cash provided by operating activities	AA AA A	20.525
Depreciation	33,001	30,535
Bad debt expense	22,663	10,000
(Increase) decrease in accounts receivable	(41,790)	(14,594)
(Increase) decrease in prepaid expenses	(20,936)	(13,980)
(Increase) decrease in other assets	128	(1,439)
(Decrease) increase in accounts payable	787	(128)
Increase in accrued liabilities	7,372	
Increase in program income received in advance	43,360	-
Net cash provided by operating activities	<u>260,389</u>	<u>76,408</u>
Cash Flows From Investing Activities		
Purchase of equipment	<u>(12,824)</u>	<u>(17,041)</u>
Net cash used by investing activities	(12,824)	<u>(17,041)</u>
Cash Flows From Financing Activities		
Payments on mortgage payable	<u>(8,731)</u>	<u>(7,997)</u>
Net cash used by financing activities	(8,731)	<u>(7,997)</u>
Net Increase in Cash and Cash Equivalents	238,834	51,370
Cash and Cash Equivalents, beginning of year	<u>273,287</u>	<u>221,917</u>
Cash and cash Equivalents, end of year	<u>512,121</u>	<u>273,287</u>
Supplemental Disclosure of Cash Flow Information Cash paid during the year for Interest	<u>\$11,718</u>	<u>\$12,402</u>

The accompanying notes are an integral part of these statements.

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Note 1-Nature of Operations

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The mission of Family Service of Greater Baton Rouge (the Agency) is to support, strengthen and enhance family life in greater Baton Rouge and the surrounding parishes through direct services and positive social actions. The Agency was incorporated in 1955, has been a United Way agency since 1959, and a member of Family Service America since 1962. The Agency's services range from prevention and education to tertiary intervention through case management or clinical modalities and methodologies. The Agency receives its funding through a variety of sources including United Way, service fees, contributions, state and local grants.

Note 2-Significant Accounting Policies

Concentration of Credit Risk

Concentration of credit risk with respect to service fees is limited to the Baton Rouge, Louisiana area. As a result, the Company is subject to the credit risk associated with the local economy in respect to service fees.

Grant receivables are due from federal and state agencies.

At various times during the year, cash and cash equivalents on deposit with one banking institution exceeded the \$100,000 insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the institution on a regular basis, along with its balances in cash and cash equivalents, to minimize potential risk.

Income Taxes

The Agency is exempt from taxation as a public charity under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

Basis of Accounting

The financial statements are presented using the accrual basis of accounting.

Restrictions on Net Assets

The Agency reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Note 2-Significant Accounting Policies (Continued)

Restrictions on Net Assets (Continued)

The Agency reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquire long-lived assets are placed in service.

Donations-in-Kind

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Material gifts-in-kind items used in the Agency's fund raising activities (e.g., advertising, printing, prizes, etc.) are recorded as income and expense at the time of the activity.

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

Reclassifications

Certain reclassifications have been made to the 1997 financial statements to conform with classifications used in 1998. These reclassifications had no effect on net assets.

Note 3-Cash and Cash Equivalents

The agency considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

Note 3-Cash and Cash Equivalents (Continued)

Cash and cash equivalents at December 31, 1998 and December 31, 1997, consisted of the following:

	<u>1998</u>	<u>1997</u>
Bank account	\$22,616	\$5,560
Petty cash	130	130
Money Market Account	336,495	267,597
Restricted cash	152,880	
Total cash and cash equivalents	<u>512,121</u>	<u>273,287</u>

Note 4-Accounts Receivable - Grants

Accounts receivable from grants was composed of the following:

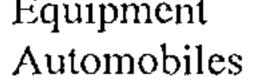
	<u>1998</u>	<u>1997</u>
OCS	\$5,900	\$6,057
Adolescent Case Management Program	69,208	99,169
Independent Living Program	30,699	18,567
Care Coordination Program	14,302	
HIV Hope Program	11,428	
Miscellaneous	<u>_11,933</u>	₹
	<u>143,470</u>	<u>123,793</u>

Note 5-Land, Building and Equipment

The original cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method.

Land, building and equipment consists of the following:

	<u>1998</u>	<u>1997</u>
Building and improvements	\$433,604	\$432,105
	214 002	202 470





(Continued - amounts carried forward)

658,561 645,737

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Family Service of Greater Baton Rouge Notes to Financial Statements December 31, 1998

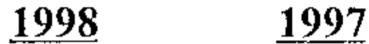
	<u>1998</u>	<u>1997</u>
(Continued - amounts carried forward)	\$658,561	\$645,737
Less accumulated depreciation	<u>(289,491)</u>	<u>(256,490)</u>
	369,070	389,247
Land	126,527	126,527
Total land, building and equipment	<u>495,597</u>	<u>515,774</u>

Note 6-Long-Term Debt

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Long-term debt at December 31, 1998 and December 31, 1997, consisted of the following.



Mortgage payable, dated original amount \$161,982, monthly with remaining ba	8.75% intere	est, payable at \$1,700		
by mortgage on land and b	ouilding on R	Revere Avenue.	\$116,856	\$135,395
Less current maturity			9,808	<u>8,989</u>
Total long-term portion	J		<u>126,664</u>	<u>126,406</u>
Future maturities on long-ter	m debt are a	s follows:		
	1999	\$10,702		
	2000	106,154		

Note 7-Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 1998 of \$1,511, are available for the HIV Hope Program expenses not covered by a grant.

<u>116,856</u>

Note 8-Permanently Restricted Net Assets

Permanently restricted net assets at December 31, 1998 totaling \$151,369, are available for the Pennington Family Loan Program. The funds are held in a money market account, the purpose of which is to continue the Family Loan Program. No funds were loaned out in 1998. Interest earned during the fiscal year was \$1,369.

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Note 9-Net Assets Designated For Capital Improvements and Education

The Board of Directors has designated a portion of its unrestricted assets to be used for capital improvements and educational purposes. These designations are unlike donor contributions which must be used for the purpose stipulated by the donor as the board has the authority to change or reverse its own action. The designated portion of the unrestricted net assets is augmented annually by earnings of the agency's interest bearing accounts.

Changes in designated net assets for 1998 and 1997 are as follows:

	<u>Designated N</u>	Designated Net Assets	
	Capital <u>Improvements</u>	Education <u>Funds</u>	Total <u>Designated</u>
Balance, January 1, 1997	\$50,570	\$5,000	\$55,570

Interest income	12,329		12,329
Purchase of property, plant and equipment	(19,562)		<u>(19,562)</u>
Balance, December 31, 1997	43,337	<u>5,000</u>	48,337
Interest income	16,176		16,176
Purchase of property, plant and equipment	<u>(10,013)</u>		(10,013)
Balance, December 31, 1998	<u>49,500</u>	<u>5,000</u>	<u>54,500</u>

Note 10-Pension Plan - Defined Benefit

The Agency has a noncontributory defined benefit pension plan which covers substantially all of its employees who meet eligibility requirements. Benefits under the plan are generally based on the employee's compensation during the highest five consecutive calendar years during the last ten calendar years of service before retirement. The pension plan is funded in accordance with the requirements of the Employee Retirement Income Security Act of 1974.

A. The following table sets forth the plan's funding status and the amounts recognized in the financial statements at December 31, 1998 and December 31, 1997.

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Actuarial present value of benefit obligations:



Accumulated benefit obligation, including vested benefits of \$460,208 and \$331,382, respectively



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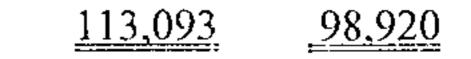
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Note 10-Pension Plan - Defined Benefit (Continued)

	<u>1998</u>	<u>1997</u>
Plan assets at fair value, primarily listed stocks and U.S. Bonds	\$789,694	\$619,008
Less projected benefit obligation for service rendered to date	<u>666,604</u>	<u>496,449</u>
Plan assets in excess of projected benefit obligation	123,090	122,559
Net unrecognized (gain) loss from past experience different than assumed	(44,643)	(56,613)
Unrecognized net (gain) or loss	84,296	88,095
Unrecognized prior service cost	<u>(49,650)</u>	<u>(55,121)</u>

Prepaid pension cost



Net pension cost for 1998 and 1997 included the following components:

	<u>1998</u>	<u>1997</u>
Service cost - benefits earned during the period	\$43,091	\$43,668
Interest cost on projected benefit obligation	46,621	37,129
Actual return on plan assets	(89,474)	(13,046)
Net amortization and deferral	13,814	(47,051)
Net periodic pension cost	<u>14,052</u>	20,700

The weighted-average discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 6.5 percent and 7.5 percent. The expected long-term rate of return on assets was 9 percent.

B. <u>Actuarial Method and Assumptions</u>

Actuarial Methods

Retirement and death benefits disability annuity credits Aggregate cost method one year term cost.

Retirement age assumptions

Age 65. For employees over 65, immediate retirement is assumed.

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Note 10-Pension Plan - Defined Benefit (Continued)

B. <u>Actuarial Method and Assumptions</u> (Continued)

Mortality rates before retirements	1983 Group Annuity Mortality Table for males
	projected to 1988 by Scale H and set back 4 years
	for males and females with 71/2% interest and
	loading 2.5% of net. Four percent cost of living
	on benefits accrued before July 1, 1994.

Interest rate

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- 6.5 percent per year, net after fund charge
- C. <u>Eligibility for Participation</u>

Former participants of any plan of Mutual of America are eligible immediately if over age

21. If not a former participant, eligible after one year of service and attainment of age 21.

D. <u>Amount of Retirement Income</u>

The amount of yearly retirement income at age 65 equals 1 percent of the final average salary times credited service (no maximum), plus ½ percent of any excess of the final average salary over the social security average yearly wage times credited service (maximum 35 years) offset by all annuities accrued under any prior plan underwritten by Mutual of America. Credited service (years and 1/12ths) is defined to be service as a participant under any plan of the employer after meeting the eligibility requirement. Service prior to employee's enrollment date shall be excluded for any employee who failed to become a participant when first eligible.

E. Vesting at Termination of Employment

Participants terminating employment after 3 years of service will receive retirement income, beginning at age 65, or earlier retirement date, if elected, based on years of service and compensation prior to termination of employment.

F. Normal Retirement Date

Participants may retire on the first day of the month coincident with or next following their 65th birthday.



Participants may retire between ages 55 and 65. Benefits are reduced 1/15 for each of the five years prior to the normal retirement date and 1/30 for each of the next five years.

Note 10-Pension Plan - Defined Benefit (Continued)

In addition to pension benefits, the entity provides employees an opportunity to participate in a deferred compensation plan offered through Mutual of America. The entity does not guarantee those benefits. This plan is between Mutual of America and the employee and the entity serves only in an agency capacity.

Note 11-Pension Plan - Defined Contribution

The Agency has a defined contribution plan subject to Section 403(b) of the Internal Revenue Code. The plan covers substantially all of its employees who meet eligibility requirements. Contributions to the plan are based on 25% of the first 6% of the amount of the salary reduction of each employee. The amounts of pension expense under this plan were \$5,729 and \$4,362 for the years ended December 31, 1998 and December 31, 1997, respectively.

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Note 12-Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

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Supplementary Information

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FI. DANIEL CARROLL, C.P.A. ROBERT E. WALES, C.P.A. J. CHARITS PARKER, C.P.A. LOUIS C. McKNIGHT, III, C.P.A. ANTHONY J. CRISTINA, III, C.P.A. CHARLES R. PEVEY, JR., C.P.A. DAVID J. BROUSSARD, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD. BATON ROUGE, LOUISIANA 70809 [225] 923-3000 • FAX (225) 923-3008 ROBERT B. HAWTHORN, C.P.A. $(1896 \cdot 1977)$ JOHN F. WAYMOUTH, C.P.A. [1902-1987] HOWARD V. CARROLL, C.P.A. $(1909 \cdot 1993)$

WARREN C. BER, C.P.A. RETIERED. ROBERT J. ZERNOTT, C.E.A. RETHRED CARUL, HANCOCK, C.P.A. RETIRED.

June 14, 1999

Independent Auditor's Report on Schedule of Federal and State Awards

Board of Directors Family Service of Greater Baton Rouge Baton Rouge, Louisiana

Members of the Board:

We have audited the financial statements of the Family Service of Greater Baton Rouge, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 14, 1999. These financial statements are the responsibility of the Family Service of Greater Baton Rouge's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 audit provides a reasonable basis for our opinion.

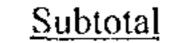
Our audit was made for the purpose of forming an opinion on the basic financial statements of the Family Service of Greater Baton Rouge taken as a whole. The accompanying Schedule of Federal and State Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly

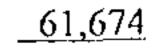
presented in all material respects in relation to the basic financial statements taken as a whole.

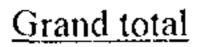
Yours truly, Hawtham, Waymonth & Cansoll, L.L.P. 19

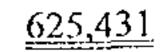
Family Service of Greater Baton Rouge Schedule of Federal and State Awards Year Ended December 31, 1998

Federal Grantor/Pass-Through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	Pass-Through Grantor's <u>Contract Number</u>	Disburse- ments/Ex- <u>penditures</u>
Department of Health and Human Services/Louisiana			
Department of Health and Hospitals*:			
Teen Advocate Program (97-96)	13.994		\$101,788
Teen Advocate Pr564ogram (98-99)	13.994		38,900
First Time Parents (97-98)	13.994		133,151
First Time Parents (98-99)	13.994		40,756
<u>Subtotal</u>			<u>314,595</u>
Department of Health and Human Services/Louisiana Department of Social Services:			
Independent Living Program -			
Contract A and B (97-98)	93.674	370-9716	95,461
Contract A and B (98-99)	93.674		82,225
Subtotal			177,686
Department of Health and Human Services/Louisiana			
Department of Social Services:			
Office of Community Services Title XX (97-98)	93.667	370-8114	141,106
Office of Community Services Title XX (98-99)	93.667		5,965
Subtotal			20,071
Department of Health and Human Services/Louisiana			
Department of Social Services/			
Office of Community Services:			
Children's Trust Fund -			
Adopt A School (97-98)	93.672	370-8176	4,112
Adopt A School (98-99)	93.672		<u>1,982</u>
Subtotal			<u> 6,094 </u>
Department of Health and Human Services/Louisiana			
Department of Health and Hospitals			
HIV Hope Program	93.939		45,311
Ś Subtotal			45,311
Department of Health and Human Services/Louisiana			
Department of Health and Hospitals	93.915		61 674
Care Coordination Program	72.712		61,674









*Denotes major programs

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WARREN G. BER, G.P.A. *BETIRED* ROBERT J. ZERNOTT, C.P.A BETIRED CARL L. HANCOCK, C.P.A. RETIRED

June 14, 1999

Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>

Board of Directors Family Service of Greater Baton Rouge Baton Rouge, Louisiana

Members of the Board:

We have audited the financial statements of the Family Service of Greater Baton Rouge as of and for the year ended December 31, 1998, and have issued our report thereon dated June 14, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

<u>Compliance</u>

As part of obtaining reasonable assurance about whether the Family Service of Greater Baton Rouge's financial statements are free of material misstatement, we 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 those provisions was not an objective of our audit and, 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 <u>Government Auditing Standards</u>.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Family Service of Greater Baton Rouge's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on

the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting

that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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This report in intended for the information of the Board of Directors, management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities.

Yours truly,

Hawthorn, Waymouth & Canoll, K.L.P.



H. DANIEL CARROLL, C.P.A. ROBERT E. WALES, C.P.A. J. GEIABLES PARKER, G.P.A. LOUIS G. McKNIGHT, III, G.P.A. ANTHONY J. CRISTINA, III, G.P.A. OHARLES R. PEVEY, JR., G.P.A. DAVID J. BROUSSARD, C.P.A.



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REBRED ROBERT J. ZERNOTT, G.R.A. REBRED CARE E. HANCOCK, C.R.A. REDRED

June 14, 1999

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance In Accordance with OMB Circular A-133

Board of Directors Family Service of Greater Baton Rouge Baton Rouge, Louisiana

Members of the Board:

Compliance

We have audited the compliance of the Family Service of Greater Baton Rouge with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended December 31, 1998. Family Service of Greater Baton Rouge's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of management. Our responsibility is to express an opinion on the Family Service of Greater Baton Rouge's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted audited standards; the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States, and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Family Service of Greater Baton Rouge's compliance with those requirements and performing

such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Family Service of Greater Baton Rouge's compliance with those requirements.

In our opinion, Family Service of Greater Baton Rouge complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

Internal Control Over Compliance

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The management of the Family Service of Greater Baton Rouge is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Family Service of Greater Baton Rouge's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities.

Yours truly, Hawthorn, Waymouth & Canall, L. T.



H. DANIEL CARROLL, G.P.A.
BOBERT E. WALES, C.P.A.
J. CHARLES PARKER, G.P.A.
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CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.

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8555 UNITED PLAZA BLVD. BATON ROUGE, LOUISIANA 70809 (225) 923-3000 • FAX (225) 923-3008 HOBERT B. HAWTHORN, C.P.A. (1896-1927)
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HOWARD V. CARROLL, C.P.A. (1909-1993)
WARREN C. BER, C.P.A. RETIRED
HOBERT J. ZERNOTT, C.P.A. RETIRED
GARET HANCOCK, C.P.A.

FIETHERED

June 14, 1999

Schedule on Audit Findings and Questioned Costs Applicable to Each Major Program In Accordance with OMB Circular A-133

Board of Directors Family Service of Greater Baton Rouge Baton Rouge, Louisiana

Members of the Board:

We have audited the financial statements of the Family Service of Greater Baton Rouge, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 14, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

Schedule on Audit Findings and Questioned Costs as Required by Circular A-133 Subpart E §505(a)(4)(b) Department of Health and Human Services, C.F.D.A.#'s 13.994 and 93.674.

- (1) The above mentioned audit report contained an unqualified opinion.
- (2) Our audit report did not disclose any material weaknesses or other conditions in internal control which are required to be reported under OMB Circular A-133.
- (3) We issued an unqualified report on compliance for major programs.
- (4) Our audit report did not disclose any material weaknesses or other conditions in internal control over major programs which are required to be reported by OMB Circular A-133.
- (5) Our audit report did not disclose any material noncompliance in major programs, as described in §.510(a)(2).
- (6) Our audit did not disclose any questioned costs, as described in (5.510(a)).
- (7) The major program was identified as the Adolescent Case Management Program.
- (8) The auditee's above mentioned programs were classified as Type A using \$300,000 of total federal awards expended as the threshold.
- (9) The auditee does qualify as a low risk auditee under §.530.

This report in intended for the information of the Board of Directors, management, federal awarding agencies and pass-through entities.

Yours truly, Hawthorn, Waymouth & Canol, L.L. 25