

CHARMAINE PHILIPS-PLATENBURG
Certified Public Accountant

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AUDITED FINANCIAL STATEMENTS
OF
FOREVER OUR CHILDREN, INC.
AFTER SCHOOL TUTORIAL PROGRAM
AS OF AND FOR THE YEAR ENDED
JUNE 30, 1999

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 ~~OCT 06 1999~~

**Forever Our Children, Inc.
After School Tutorial Program**

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CHARMAINE PHILIPS-PLATENBURG
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

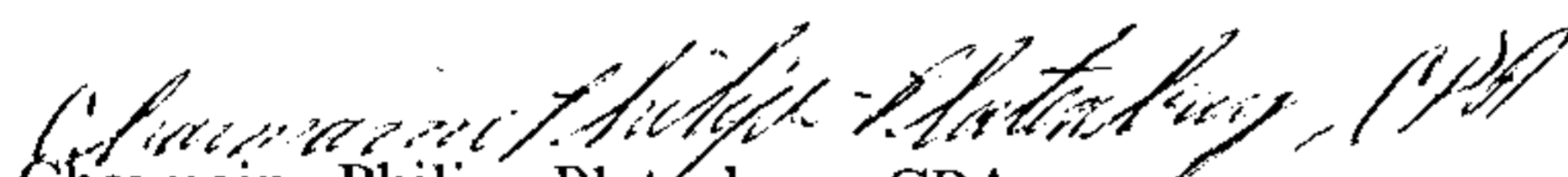
To the Board of Directors
Forever Our Children, Inc.-After School Tutorial Program

I have audited the accompanying statement of financial position of Forever Our Children, Inc.-After School Tutorial Program (a non-profit corporation) as of June 30, 1999 and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of Forever Our Children, Inc.'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. Those 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 statement 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 Forever Our Children, Inc.-After School Tutorial Program as of June 30, 1999 and the changes in its net assets and its cash flows for the year then ended in conformity with the generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated August 30, 1999, on my consideration of Forever Our Children, Inc.-After School Tutorial Program's internal control structure over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants.


Charmaine Philips-Platenburg, CPA

New Orleans, LA
August 30, 1999

FOREVER OUR CHILDREN, INC.
AFTER SCHOOL TUTORIAL PROGRAM
Statement of Financial Position
As of June 30, 1999

Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 635
Prepaid Expenses	<u>3,446</u>
Total Current Assets	4,081
Fixed Assets	
Equipment	16,330
Less: Accumulated Depreciation	<u>(7,270)</u>
Total Fixed Assets	<u>9,060</u>
Total Assets	<u><u>\$ 13,141</u></u>
 Liabilities & Net Assets	
Current Liabilities:	
Accounts Payable	\$ 2,261
Payroll Taxes Payable	<u>1,037</u>
Total Liabilities	<u>3,298</u>
Net Assets:	
Unrestricted	777
Temporarily Restricted	<u>9,066</u>
Total Net Assets	<u>9,843</u>
Total Liabilities & Net Assets	<u><u>\$ 13,141</u></u>

FOREVER OUR CHILDREN, INC.
AFTER SCHOOL TUTORIAL PROGRAM
Statement of Activities
For the Year Ended June 30, 1999

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contract Appropriations	\$ -	\$ 145,212	\$ 145,212
Net Assets released from restrictions	147,081	(147,081)	-
	<u>147,081</u>	<u>(1,869)</u>	<u>145,212</u>
Total Revenues	147,081	(1,869)	145,212
Expenses:			
Payroll Expenses	46,797	-	46,797
Contractual Services	41,282	-	41,282
Rent	14,100	-	14,100
Program Activities	8,708	-	8,708
Accounting	6,300	-	6,300
Consultant	5,000	-	5,000
Janitorial Expenses	4,500	-	4,500
Insurance	3,064	-	3,064
Depreciation Expense	2,896	-	2,896
Office Supplies	2,454	-	2,454
Property & Equipment, Capitalized	2,193	-	2,193
Repairs & Maintenance	1,727	-	1,727
Telephone	1,676	-	1,676
Food Supplies	1,502	-	1,502
Instructional Materials	1,137	-	1,137
Workmen's Compensation	891	-	891
Conferences & Seminars	700	-	700
Postage	572	-	572
Miscellaneous	549	-	549
Bank Service Charges	303	-	303
Mileage	300	-	300
Security	216	-	216
Legal Expenses	100	-	100
Advertising	100	-	100
Janitorial Supplies	14	-	14
	<u>147,081</u>	<u>-</u>	<u>147,081</u>
Total Expense	147,081	-	147,081
Decrease in Net Assets	-	(1,869)	(1,869)
Net Assets, Beginning Balance	<u>777</u>	<u>10,935</u>	<u>11,712</u>
Net Assets, Ending Balance	<u>777</u>	<u>\$ 9,066</u>	<u>\$ 9,843</u>

FOREVER OUR CHILDREN, INC.
AFTER SCHOOL TUTORIAL PROGRAM
Statement of Cash Flows
For the Year Ended June 30, 1999

Cash Flows from Operating Activities:		
Decrease in Net Assets	\$	(1,869)
Adjustments to reconcile increase net assets to net cash provided by operating activities:		
Depreciation Expense		2,896
Increase in Prepaid Expenses		(1,921)
Decrease in Accounts Payable & Payroll Taxes Payable		<u>(840)</u>
Net Cash Used In Operations		(1,734)
 Cash Flows from Investing Activities:		
Acquisition of Equipment		<u>(1,929)</u>
Net Cash Used In Investing Activities		(1,929)
Net Decrease In Cash and Cash Equivalents		(3,663)
Cash and Cash Equivalents at Beginning of Year		<u>4,298</u>
Cash and Cash Equivalents at End of Year	\$	<u><u>635</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOREVER OUR CHILDREN, INC.
AFTER SCHOOL TUTORIAL PROGRAM**

NOTE A - Nature of Activities and Significant Accounting Policies

Nature of Activities

Forever Our Children, Inc. (the Program) provides free after school tutoring. The Program offers remedial reading and math, along with homework assistance, and limited computer training. The Program was designed to provide crucial skills in the areas of reading, writing, oral communications and mathematics. Funding for the Program was provided by the State of Louisiana, Governor's Office of Urban Affairs and Development.

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.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenditures are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Program considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Program is required by the State of Louisiana, Governor's Office of Urban Affairs and Development to maintain the support received in a separate account.

Office Equipment

Office equipment purchased by the Program is recorded at cost. Additions, improvements and expenditures that extend the useful life of the asset are capitalized. Depreciation is computed using the straight-line method.

Estimated Useful Life

Office furniture,
fixtures and equipment

3 to 5 years

**NOTES TO THE FINANCIAL STATEMENTS
FOREVER OUR CHILDREN, INC.
AFTER SCHOOL TUTORIAL PROGRAM**

NOTE A - Nature of Activities and Significant Accounting Policies (Continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Prepaid Expense

Prepaid expense consists of insurance premiums that were paid in advance by the Program. The insurance is a requirement of the Program. The prepaid expense will be amortized over the next twelve months.

NOTE B – Fixed Assets

Equipment at June 30, 1999 is summarized as follows:

Beginning Balance, July 1, 1998	\$ 14,401
Purchases during the fiscal year	<u>1,929</u>
Total Equipment	\$ 16,330
Accumulated Depreciation	<u>(7,270)</u>
Net Equipment	<u>\$ 9,060</u>

Depreciation expense charged to operations was \$2,896 in the fiscal year ended June 30, 1999.

NOTE C – Significant Concentration

Significant Concentration

As stated in Note A, the Program receives over 99% of its funding from the State of Louisiana, Governor's Office of Urban Affairs and Development. The fact that funding is conditioned upon the availability and appropriation of State funds and that the State is not obligated to fund the Program in the subsequent year creates an uncertainty about the Program's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Program is unable to continue as a going concern.

CHARMAINE PHILIPS-PLATENBURG
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Forever Our Children, Inc.-After School Tutorial Program

I have audited the financial statements of Forever Our Children, Inc.-After School Tutorial Program (a non-profit corporation) as of and for the fiscal year ended June 30, 1999, and have issued my report thereon dated August 30, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

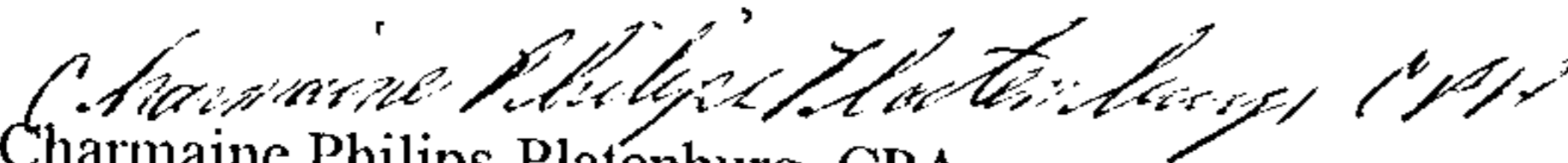
Compliance

As part of obtaining reasonable assurance about whether Forever Our Children, Inc.-After School Tutorial Program'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 those 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 Governmental Auditing Standards. However, I noted certain immaterial instances of noncompliance, which I have reported to management of the Program in a separate letter dated August 30, 1999.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Forever Our Children, Inc.-After School Tutorial Program'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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to 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 the employees in the normal course of performing their assigned functions. I noted no matters involving the internal control financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting, which I have reported to management of the Program in separate letter dated August 30, 1999.

This report is intended solely for the information and use of the Board of Directors, management, State of Louisiana, Governor's Office of Urban Affairs and Development. However, this report is a matter of public record and its distribution is not limited.


Charmaine Philips-Platenburg, CPA

New Orleans, LA
August 30, 1999

CHARMAINE PHILIPS-PLATENBURG

Certified Public Accountant

1340 Poydras Street • Suite 2130
New Orleans, LA 70112

**FOREVER OUR CHILDREN, INC.
AFTER SCHOOL TUTORIAL PROGRAM**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended June 30, 1999

There were no findings noted during the audit period.

***FOREVER OUR CHILDREN, INC.
AFTER SCHOOL TUTORIAL PROGRAM
SCHEDULE OF FINDINGS AND QUESTION COST
FOR THE YEAR ENDED JUNE 30, 1999***

STATUS OF PRIOR FINDINGS

It should be noted that the prior year findings were cleared during the audit period.

CHARMAINE PHILIPS-PLATENBURG

Certified Public Accountant

To the Board of Directors of
Forever Our Children, Inc.-
After School Tutorial Program

In planning and performing my audit of the financial statements of Forever Our Children, Inc.-After School Tutorial Program (the Organization) for the year ended June 30, 1999, I considered the Organization's internal control structure to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control structure.

However, during my audit, I noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. My comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control structure and/or enhance in other operating efficiencies. I will be pleased to discuss these comments in further detail at your convenience, to perform any additional studies of these matters, or to assist you in implementing the recommendations. My comments are summarized as follows:

Management Comments

The Year 2000 Issue

The Year 2000 Issue results from the inability of a computer program to year-date data accurately beyond the year 1999. Except for recently introduced year 2000 compliant programs, computer programs have consistently included abbreviated dates with the assumption that those two digits would always be 19. Unless corrected, that shortcut may create widespread problems on January 1, 2000. On that date, some computer programs may recognize the date as January 1, 1900, and either process data incorrectly or stop processing it altogether.

I recommend that you begin to take immediate steps to identify, modify and test all systems that may be impacted by the Year 2000 Issue. In addition, you should monitor your progress to ensure compliance before the system begins to fail, which may be evident before January 1, 2000. If the Organization fails to take timely and appropriate action, it may experience costly and significant computer program failures, which could prevent it from performing its routine activities. Depending on the extent of the system failures, noncompliance could be detrimental to the Organization.

Accounting System

During our testing of cash disbursements, we noted that several transactions were erroneously recorded in the general ledger. This type of error can cause the financial statements to be misleading to the users of such information. Management should review the general ledger to assure that entries are properly classified in the correct accounts of the financial statements and inquire about any concerns to the accountant for clarification.

Organizational Structure

The size of the organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff was large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the organization to provide oversight and independent review functions.

I would like to thank Ms. Geralyn Labbe and Sheila Williams for their support and assistance during my audit.

This report is intended solely for the information and use of the Board of Directors, management, City of New Orleans' Department of Housing and Neighborhood Development and U. S. Department of Housing and Urban Development.

Charmaine Philips-Platenburg, CPA

Charmaine Philips-Platenburg, CPA

New Orleans, LA
August 30, 1999

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