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**CARE UNLIMITED, INC.**

**FINANCIAL STATEMENTS**

**WITH INDEPENDENT AUDITOR'S REPORT**

**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 JAN 19 2000

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Care Unlimited, Inc.

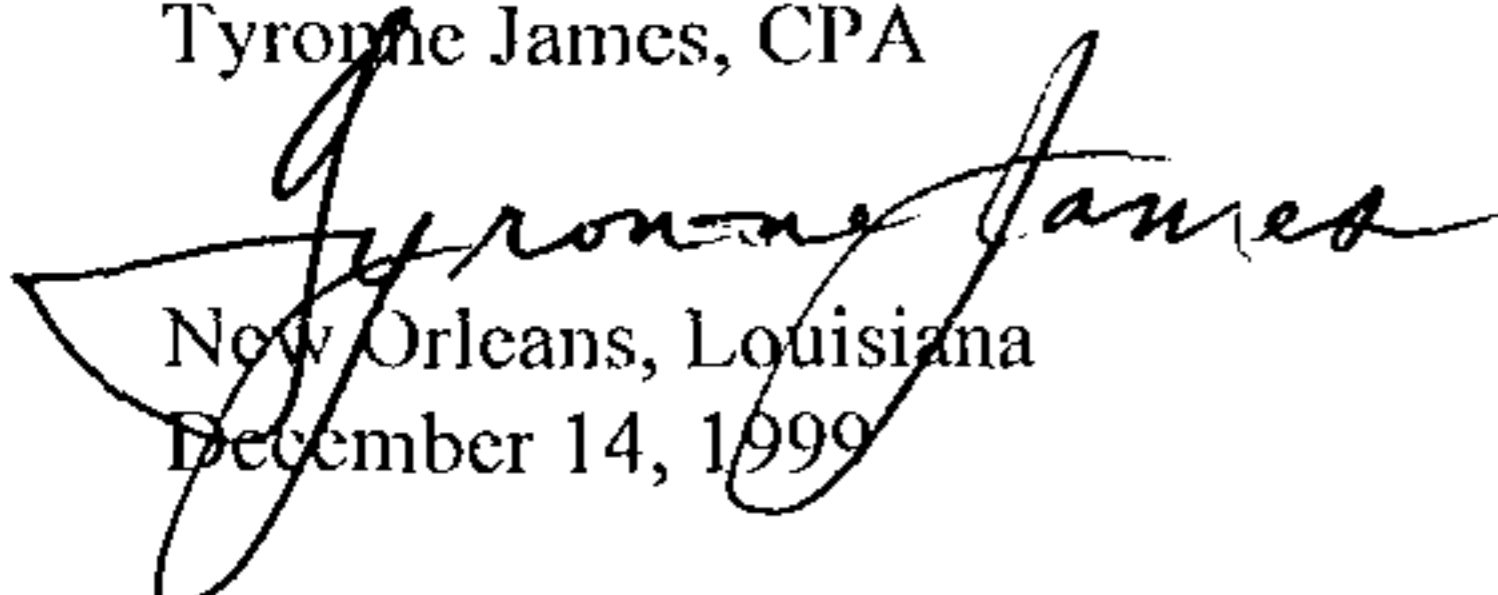
I have audited the accompanying statement of financial position of Care Unlimited, Inc. (a nonprofit organization) as of June 30, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Care Unlimited, Inc.'s management. 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 the standards applicable to financial audits contained in *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 Care Unlimited, Inc. as of June 30, 1999, and the changes in its net assets and its cash flows for the year ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 14, 1999, on my consideration of Care Unlimited, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Tyronne James, CPA



New Orleans, Louisiana  
December 14, 1999

**CARE UNLIMITED, INC.**

**STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 1999**

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**ASSETS**

**Current Assets**

Cash		\$ 7,003
Grants Receivable		<u>7,832</u>

**Total Current Assets** 14,835

**Fixed Assets**

Equipment	\$ 26,056	
Accumulated Depreciation	<u>17,228</u>	

**Total Fixed Assets** 43,284

**TOTAL ASSETS** \$ 58,119

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 26,051	
Payrolls Payable	<u>18,220</u>	

**Total Current Liabilities** 44,271

**Net Assets** 13,848

**TOTAL LIABILITIES AND NET ASSETS** \$ 58,119

See the Accompanying Notes to the Financial Statements.

**CARE UNLIMITED, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 1999**

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**REVENUE**

Grant Revenue \$ 407,603

**TOTAL REVENUE** 407,603

**EXPENSES**

**Program Services**

Contractual Services \$ 280,512

Rent 18,000

Salaries & Wages 17,339

Payroll Taxes 9,121

Supplies Expense 4,407

**Support Services**

Contractual Services 41,950

Accounting and Legal 12,400

Office Expense 17,228

Audit Fees 4,500

Depreciation 5,211

Telephone 4,762

Utilities 3,629

Auto Expenses 4,394

Insurance 4,040

Postage 1,251

Bank Charges 312

**TOTAL EXPENSES** 429,056

**DECREASE IN NET ASSETS** \$ (21,453)

See the Accompanying Notes to the Financial Statements.

**CARE UNLIMITED, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in Net Assets	\$ (21,453)
Adjustments to reconcile decrease in net assets to net cash provided(used) by operating activities:	
Depreciation Expense	5,211
Increase in operating assets:	
Grants Receivable	(1,230)
Increase(decrease) in operating liabilities:	
Accounts Payable	1,706
Taxes Payable	(5,348)
Payrolls Payable	<u>16,204</u>
Net Increase in Cash From Operating Activities	(4,910)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Equipment	<u>(10,899)</u>
-----------------------	-----------------

<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(15,809)
--	----------

<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>22,812</u>
---	---------------

<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 7,003</u>
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See the Accompanying Notes to the Financial Statements.

**CARE UNLIMITED, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended June 30, 1999**

**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Care Unlimited, Inc. (a nonprofit entity) is located at 2103 Louisiana Avenue in the city of New Orleans. Care Unlimited, Inc. administers two programs. Project Chance offers one-on-one and group counseling services to males youth ages 9-20. The Bridge Program delivers educational services to pregnant teens.

Basis of Accounting

Care Unlimited, Inc. uses the accrual method of accounting and follows the standards of accounting and financial reporting outlined by the American Institute of Certified Public Accountants in its Audit and Accounting Guide, *Audits of Not-for-Profit Organizations*.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Care Unlimited, Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property, Plant and Equipment

Property and equipment are carried at cost. Depreciation is computed using the straight-line method over an estimated useful life of five years.

Income Taxes

Care Unlimited, Inc. is a nonprofit entity and has been granted tax-exempt status by the Internal Revenue Service (IRS) under Section 501(c)(4) of the Internal Revenue Code. The Agency exempt status is recognized by the State of Louisiana. Accordingly, no provision has been made in these statements for federal or state income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CARE UNLIMITED, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended June 30, 1999**

**2. GRANTS**

Care Unlimited, Inc.'s Bridge Program receives funding from the Louisiana Department of Education. Project Chance receives funding from the Louisiana Governor's Office of Urban Affairs and Development.

**4. ECONOMIC DEPENDENCY**

Care Unlimited, Inc. receives all of its revenue from grants. If budget cuts from funding sources are made at the state and local levels, the amount of funds Care Unlimited, Inc. receives could be significantly reduced, with resultant adverse impact on revenues and operations.

Management is not aware of any plans on the part of its current funding sources to significantly reduce payments to the Agency.



## **SUPPLEMENTAL INFORMATION**

**CARE UNLIMITED, INC.****SCHEDULE OF REVENUES & EXPENSES BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 1999**

<b>REVENUES</b>	<b>Project Chance</b>	<b>Bridge Program</b>	<b>Total</b>
Grant Revenue	\$ 207,603	\$ 200,000	\$ 407,603
<b>TOTAL REVENUES</b>	<b>207,603</b>	<b>200,000</b>	<b>407,603</b>
<b>EXPENSES</b>			
<b>Program Services</b>			
Contractual Services	146,300	134,212	280,512
Rent	10,200	7,800	18,000
Salaries and Wages	-	17,339	17,339
Payroll Taxes	3,660	5,461	9,121
Supplies Expense	1,712	2,695	4,407
<b>Support Services</b>			
Contractual Services	6,950	35,000	41,950
Accounting and Legal	10,000	2,400	12,400
Office Expense	13,329	3,899	17,228
Audit Fees	2,500	2,000	4,500
Depreciation	5,211	-	5,211
Telephone	2,604	2,158	4,762
Utilities	1,984	1,645	3,629
Automobile Expenses	-	4,394	4,394
Insurance	2,631	1,409	4,040
Postage	200	1,051	1,251
Bank Charges	-	313	313
<b>TOTAL EXPENSES</b>	<b>207,280</b>	<b>221,776</b>	<b>429,056</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 323</b>	<b>\$ (21,776)</b>	<b>\$ (21,453)</b>

See the Accompanying Notes to the Financial Statements

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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***

To the Board of Directors of  
Care Unlimited, Inc.

I have audited the accompanying statement of financial position of Care Unlimited, Inc. (a nonprofit organization) as of June 30, 1999, and have issued my report thereon dated December 14, 1999. 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 Care Unlimited, 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 those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings.

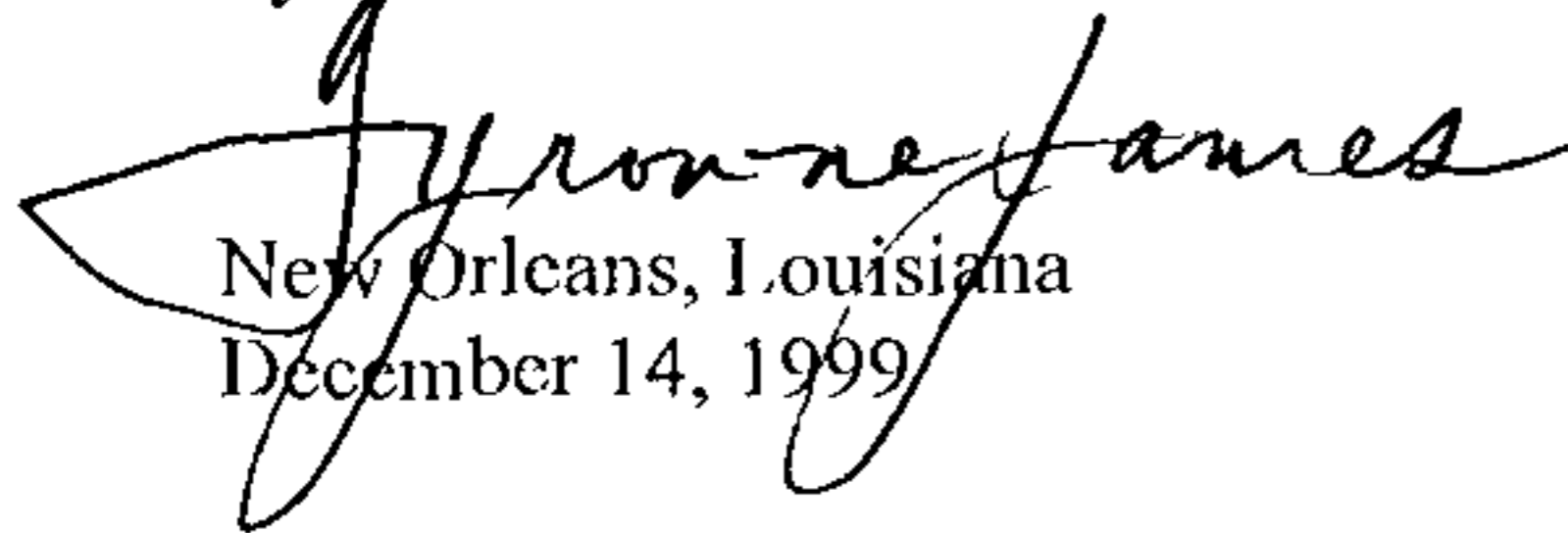
**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Care Unlimited, 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 a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. 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 judgement, could adversely affect Care Unlimited, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as item 99-1.

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 reportable conditions that are also considered to be material weaknesses. However, I believe that the reportable condition described above as item 99-1 to be a material weakness.

This report is intended for the information of Care Unlimited, Inc.'s Board of Directors, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited..

Tyrone James



New Orleans, Louisiana  
December 14, 1999

**CARE UNLIMITED, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 1999**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Care Unlimited, Inc.
2. One reportable conditions is reported in the "Report on Compliance And On Internal Control Over Financial Reporting Based on An Audit Of Financial Statements Performed in Accordance with *Government Auditing Standards*." The condition is reported as a material weakness.
3. No instances of noncompliance material to the general purpose financial statements of New Orleans Drug Education Intervention Center, Inc. were disclosed during the audit.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT MATERIAL WEAKNESS**

**99.1**

Condition: During my audit, it was noted that Care Unlimited, Inc. did not perform bank reconciliations timely on all bank accounts.

Criteria: Effective internal controls require that all bank accounts be reconciled on a timely basis.

Effect: Without the timely reconciliation of all bank balances, there is the risk of errors, irregularities and omissions occurring in the financial statements.

Recommendation: The organization should perform bank reconciliations of all bank accounts on a timely basis.

Response: Management will perform bank reconciliations of bank accounts monthly.

**C. PRIOR YEAR AUDIT FINDING**

There were no prior audit findings.

**CARE UNLIMITED, INC.**

**MANAGEMENT'S CORRECTIVE ACTION PLAN**

**June 30, 1999**

**99-1 Bank accounts not reconciled timely**

Management agrees that all bank accounts will be reconciled monthly.