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

**FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT**

**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 NOV 24 1999

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

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# Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT  
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122  
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## INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statements of financial position of Lakeview Area Senior Adult Ministry, Inc. (a nonprofit corporation) as of June 30, 1999, 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. 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 Lakeview Area Senior Adult Ministry, Inc. as of June 30, 1999, 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 Lakeview 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 Lakeview 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 September 10, 1999 on my consideration of Lakeview 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.

*Justin J. Scanlan, CPA*

New Orleans, Louisiana  
September 10, 1999

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

**STATEMENT OF FINANCIAL POSITION**

**June 30, 1999**

**ASSETS**

		<b>TOTAL MEMORANDUM ONLY June 30, 1998</b>
		<b>\$ 14,606</b>
Cash	\$ 11,426	
Certificates of deposit	126,833	126,454
Investment securities (Notes A4 and B)	2,250	2,173
Receivables		
Other	1,466	903
Accrued interest	383	1,762
Unconditional promise to give (Note C)	42,676	42,676
Property and equipment – at cost (Notes A5 and D)	610	1,460
Total assets	<b><u>\$ 185,644</u></b>	<b><u>\$ 190,034</u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	\$ 7,157	\$ 2,634
Commitment (Note E)	-	-
Total liabilities	7,157	2,634
Net assets		
Unrestricted	135,811	144,724
Temporarily restricted	42,676	42,676
Total net assets	<b><u>178,487</u></b>	<b><u>187,400</u></b>
Total liabilities and net assets	<b><u>\$ 185,644</u></b>	<b><u>\$ 190,034</u></b>

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

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

**STATEMENT OF ACTIVITIES**

**For the year ended June 30, 1999**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY UNRESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY FOR THE YEAR ENDED June 30</u>	
			<u>1999</u>	<u>1998</u>
<b>REVENUE</b>				
United Way allocation	\$ -	\$ 42,676	\$ 42,676	\$ 42,676
United Way designations	9,661	-	9,661	8,095
CFC Designations	547	-	547	674
Contributions	31,148	-	31,148	30,622
Special events, net of direct costs of \$6,577	12,255	-	12,255	13,357
Program service fees	21,844	-	21,844	12,986
Government grants	-	55,419	55,419	55,419
Investment income	6,244	-	6,244	7,205
Other revenue	1,562	-	1,562	1,134
Net assets released from restrictions	<u>98,095</u>	<u>&lt; 98,095 &gt;</u>	<u>-</u>	<u>-</u>
Total revenues	<u>181,356</u>	<u>-</u>	<u>181,356</u>	<u>172,168</u>
 <b>EXPENSES</b>				
Program services				
Home services	70,343	-	70,343	61,709
Social development	<u>94,718</u>	<u>-</u>	<u>94,718</u>	<u>76,682</u>
Total program services	<u>165,061</u>	<u>-</u>	<u>165,061</u>	<u>138,391</u>
Supporting Services				
Management and general	<u>25,208</u>	<u>-</u>	<u>25,208</u>	<u>23,289</u>
Total expenses	<u>190,269</u>	<u>-</u>	<u>190,269</u>	<u>161,680</u>
 Increase <decrease> in net assets	 < 8,913 >	 -	 < 8,913 >	 10,488
Net assets-restated, beginning of year (Note G)	<u>144,724</u>	<u>42,676</u>	<u>187,400</u>	<u>176,912</u>
Net assets, end of year	<u>\$ 135,811</u>	<u>\$ 42,676</u>	<u>\$ 178,487</u>	<u>\$ 187,400</u>

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

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

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the year ended June 30, 1999**

	<u>HOME SERVICES</u>	<u>SOCIAL DEVELOPMENT</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL MEMORANDUM ONLY</u> For the year ended June 30	
				<u>1999</u>	<u>1998</u>
Compensation expense	\$ 63,365	\$ 69,706	\$ 13,123	\$ 146,194	\$ 118,099
Occupancy	2,083	14,583	5,392	22,058	18,617
Travel	590	4,232	-	4,822	6,139
Other direct program expenses	<u>3,880</u>	<u>5,772</u>	<u>6,693</u>	<u>16,345</u>	<u>17,975</u>
Total expenses before depreciation	69,918	94,293	25,208	189,419	160,830
Depreciation	<u>425</u>	<u>425</u>	<u>-</u>	<u>850</u>	<u>850</u>
	<u>\$ 70,343</u>	<u>\$ 94,718</u>	<u>\$ 25,208</u>	<u>\$ 190,269</u>	<u>\$ 161,680</u>

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

LAKEVIEW AREA SENIOR ADULT MINISTRY, INC.

STATEMENT OF CASH FLOWS

For the year ended June 30, 1999

Increase <decrease> in cash and cash equivalents		
Cash flows from operating activities:		
Decrease in net assets		\$ < 8,913 >
Adjustments to reconcile decrease in net		
Assets to net cash used in operating activities:		
Depreciation	\$ 850	
Investment securities-donated	<690>	
Unrealized depreciation on investment securities	613	
Changes in assets and liabilities:		
Increase in other receivables	<563>	
Decrease in accrued interest receivable	1,379	
Increase in accounts payable and accrued liabilities	<u>4,523</u>	<u>6,112</u>
Net cash used in operating activities		<u>&lt; 2,801 &gt;</u>
Cash flows from investing activities:		
Maturities of certificates of deposit		126,454
Purchase of certificates of deposit		<u>&lt;126,833&gt;</u>
Net cash used in investing activities		<u>&lt; 379 &gt;</u>
Net decrease in cash and cash equivalents		< 3,180 >
Cash and cash equivalents, beginning of year		<u>14,606</u>
Cash and cash equivalents, end of year		<u>\$ 11,426</u>

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

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

**NOTE TO FINANCIAL STATEMENTS**

**June 30, 1999**

**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 24% and grants from the State of Louisiana represented approximately 31% of funding for the year ended June 30, 1999.

**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 Not-For-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. Contributed 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".



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

**NOTE TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 1999**

**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, 1999 totaled \$850.

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 expense**

The expenses of providing the program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain of those 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 values because of the short maturities of those investments. The fair values of marketable securities are based on quoted market prices for those of similar investments.

LAKEVIEW AREA SENIOR ADULT MINISTRY, INC.

NOTE TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Total Columns of Combined Statements – Overview

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. Neither is such data comparable to a consolidation.

NOTE B - INVESTMENT SECURITIES

Investment securities at June 30, 1999 consist of the following:

	<u>Donated Value</u>	<u>Fair Market Value</u>
Equity Securities	<u>\$ 2,533</u>	<u>\$ 2,250</u>

The unrealized depreciation for the year ended June 30, 1999 totaled \$613. The cumulative unrealized depreciation as of June 30, 1999 totaled \$283.

The investment income for the year ended June 30, 1999 consists of the following:

Dividend income	\$ 32
Interest income	6,825
Unrealized depreciation on investment securities	<u>&lt; 613 &gt;</u>
	<u>\$ 6,244</u>

NOTE C -- UNCONDITIONAL PROMISE TO GIVE

The unconditional promise to give represents the United Way allocation for the program year July 1, 1999 through June 30, 2000. The United Way allocation totaled \$42,676.

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

**NOTE TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 1999**

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 1999 consist of the following:

Office equipment	\$ 34,172
Transportation	<u>20,027</u>
	54,199
less accumulated depreciation	<u>&lt;53,589&gt;</u>
	<u>\$ 610</u>

**NOTE E - COMMITMENT**

The corporation leased property located at 6118 Canal Boulevard, New Orleans, Louisiana for use as a program facility and its administrative offices. The rental expense for the year ended June 30, 1999 totaled \$15,200.

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

<u>Year ended</u>	
June 30, 2000	\$ 12,000

**NOTE F – INCOME TAXES**

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

**NOTE G – RESTATEMENT OF PRIOR YEAR NET ASSETS**

The June 30, 1998 temporarily restricted net assets are restated to reflect the classification of the July 1, 1998 through June 30, 1999 United Way allocation as an unconditional promise to give as of June 30, 1998.

**NOTE H - CASH FLOW INFORMATION**

For the year ended June 30, the corporation received a donation of investment securities totaling \$690.

**NOTE I – BOARD OF DIRECTOR'S COMPENSATION**

The board of directors is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 1999.

**SUPPLEMENTAL INFORMATION**

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

**STATEMENT OF ACTIVITIES BY PROGRAM**

For the year ended June 30, 1999

	<u>Home Services</u>	<u>Social Development</u>	<u>Total</u>
<b>REVENUE</b>			
Board Generated Self Support	\$ -	\$ 12,255	\$ 12,255
Client Generated Self Support	13,077	8,767	21,844
Government Grants	<u>22,168</u>	<u>33,251</u>	<u>55,419</u>
Total Self Generated Revenue	<u>35,245</u>	<u>54,273</u>	<u>89,518</u>
United Way Designations	-	9,661	9,661
CFC Designations	-	547	547
United Way Allocations	<u>26,466</u>	<u>16,210</u>	<u>42,676</u>
	<u>26,466</u>	<u>26,418</u>	<u>52,884</u>
Unrestricted Revenue	<u>15,582</u>	<u>23,372</u>	<u>38,954</u>
Total Revenue	77,293	104,063	181,356
<b>EXPENSES</b>			
Compensation Expenses	63,365	69,706	133,071
Occupancy Expenses	2,083	14,583	16,666
Travel & Transportation	590	4,232	4,822
Other Direct Program Expenses	<u>3,880</u>	<u>5,772</u>	<u>9,652</u>
	69,918	94,293	164,211
Management and General Expenses	<u>10,734</u>	<u>14,474</u>	<u>25,208</u>
Total Expenses	<u>80,652</u>	<u>108,767</u>	<u>189,419</u>
<Decrease> in Net Assets	<u>\$ &lt; 3,359 &gt;</u>	<u>\$ &lt; 4,704 &gt;</u>	<u>\$ &lt; 8,063 &gt;</u>
Depreciation	<u>\$ 425</u>	<u>\$ 425</u>	<u>\$ 850</u>

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

**SCHEDULE OF ACTUAL EXPENDITURES COMPARED TO BUDGET  
STATE SENIOR CENTER PROGRAM**

**For the year ended June 30, 1999**

	<u>Budgeted</u>	<u>Actual</u>	<u>Actual Over &lt;Under&gt; Budget</u>
Salaries	\$ 22,433	\$ 22,433	\$ -
Fringe benefits	6,396	6,396	-
Travel	5,359	5,359	-
Operating services	19,031	19,031	-
Operating supplies	<u>2,200</u>	<u>2,200</u>	<u>-</u>
	<u>\$ 55,419</u>	<u>\$ 55,419</u>	<u>\$ -</u>

# Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT  
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122  
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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, 1999, and have issued my report thereon dated September 10, 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 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 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 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 assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs 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 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.

This report is intended for the information of the audit committee, management, others within the organization and funding sources of the corporation and is not intended to be and should not be used by anyone other than these specified parties.

*Justin J. Scanlan, CPA*

New Orleans, Louisiana  
September 10, 1999



**LAKEVIEW AREA SENIOR ADULT MINISTRY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended June 30, 1999**

**REPORTABLE CONDITIONS**

**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, 1999.

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

**STATUS OF PRIOR YEAR AUDIT FINDING**

**June 30, 1999**

	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Findings</u>
1. Segregation of Duties		X	99-1

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

**MANAGEMENT RESPONSE TO AUDIT FINDING**

**June 30, 1999**

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