

**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, 1998*

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 9.23.98

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

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**CHARMAINE PHILIPS-PLATENBURG**  
*Certified Public Accountant*

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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 (the Program) as of June 30, 1998 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Program'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, *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 the Program as of June 30, 1998 and the changes in its net assets and its cash flows for the year then ended in conformity with the generally accepted accounting principles.

As discussed in Note C to the financial statements, the organization has expended certain grant funds in a manner that may have violated certain restrictive provisions of the related grant. The possible outcome of these matters, which have been reported to the appropriate grantor officials, is uncertain at this time. Accordingly, no provision for any liability has been made in the financial statements for possible grantor claims for refunds of those grant funds.

In accordance with *Government Auditing Standards*, I have also issued a report dated July 28, 1998 on my consideration of the Organization's internal control structure and a report dated July 28, 1998 on its compliance with laws and regulations.

  
Charmaine Philips-Platenburg, CPA

New Orleans, LA  
July 28, 1998

**FOREVER OUR CHILDREN, INC.**  
**AFTER SCHOOL TUTORIAL PROGRAM**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED JUNE 30, 1998**

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<b>ASSETS</b>	
Current Assets:	
Cash	\$ 4,298
Prepaid Expenses	1,525
	5,823
Total Current Assets	
Fixed Assets:	
Equipment	14,401
Less: Accumulated Depreciation	(4,374)
	10,027
Total Fixed Assets	
	10,027
<b>TOTAL ASSETS</b>	<b>\$ 15,850</b>
 <b>LIABILITIES &amp; NET ASSETS</b>	
Current Liabilities:	
Accounts Payable	\$ 2,873
Payroll Taxes Payable	1,265
	4,138
Total Liabilities	
	4,138
Net Assets:	
Unrestricted	777
Restricted	10,935
	11,712
Total Net Assets	
	11,712
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 15,850</b>

See Accompanying Auditor's Report and Notes.

**FOREVER OUR CHILDREN, INC.**  
**AFTER SCHOOL TUTORIAL PROGRAM**  
**STATEMENT OF ACTIVITY**  
**FOR THE YEAR ENDED JUNE 30, 1998**

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**UNRESTRICTED NET ASSETS**

**Support**

Social Service Grant, State of Louisiana,	\$	\$142,123
Governor's Office of Urban Affairs and Development		
Other Income		97

<b>TOTAL UNRESTRICTED SUPPORT</b>	142,220
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**Expenses**

Program Services	123,137
Support Services-Management & General	19,839

<b>TOTAL EXPENSES</b>	142,976
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<b>DECREASE IN UNRESTRICTED NET ASSETS</b>	(756)
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<b>NET ASSETS AT BEGINNING OF YEAR</b>	12,468
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<b>NET ASSETS AT END OF YEAR</b>	\$ 11,712
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FOREVER OUR CHILDREN, INC.  
AFTER SCHOOL TUTORIAL PROGRAM  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 1998

	Program Services	Supporting Services	Total
<b>Salaries &amp; Fringe Benefits:</b>			
Salaries	\$ 42,166	\$ 2,650	\$ 44,816
FICA Taxes	3,226	202	3,428
SUTA Taxes	379	3	382
Workmen's Comp. Insurance	709	41	750
<b>Total Salaries &amp; Fringes</b>	<u>46,480</u>	<u>2,896</u>	<u>49,376</u>
<b>Other Operating Expenses:</b>			
Travel	750	-	750
Maintenance	1,717	4,296	6,013
Depreciation Expense	2,187	-	2,187
Program Supplies	3,454	-	3,454
Program Activity	5,022	-	5,022
Telephone	2,448	365	2,813
Rent	10,530	1,170	11,700
Insurance	-	1,169	1,169
Professional Fees	-	7,100	7,100
Postage	3,252	361	3,613
Contract Labor	46,804	-	46,804
Security Services	-	218	218
Office Supplies	-	1,913	1,913
Advertising	493	-	493
Miscellaneous	-	351	351
<b>Total Other Operating Expenses:</b>	<u>76,657</u>	<u>16,943</u>	<u>93,600</u>
<b>Total Operating Expenses:</b>	<u>\$ 123,137</u>	<u>\$ 19,839</u>	<u>\$ 142,976</u>

See Accompanying Auditor's Report and Notes.

**FOREVER OUR CHILDREN, INC.**  
**AFTER SCHOOL TUTORIAL PROGRAM**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 1998**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in Net Assets	\$ (756)
<b>Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operating Activities</b>	
Depreciation Expense	2,187
Increase in Prepaid Assets	(1,525)
Decrease in Accounts Payable	(1,303)
Increase in Payroll Taxes Payable	<u>67</u>
<b>Net Cash Used In Operating Activities</b>	<b>(1,330)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Acquisition of Equipment	<u>(3,466)</u>
<b>Net Cash Used In Investing Activities</b>	<b><u>(3,466)</u></b>
<b>Net Decrease in Cash</b>	<b>(4,796)</b>
Cash at Beginning of Year	<u>9,094</u>
Cash at End of Year	<u><u>\$ 4,298</u></u>

See Accompanying Auditor's Report and Notes.



**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 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
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**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, 1998 is summarized as follows:

Beginning Balance, July 1, 1997	\$ 10,935
Purchases during the fiscal year	<u>3,466</u>
Total Equipment	\$ 14,401
Accumulated Depreciation	<u>(4,374)</u>
Net Equipment	<u>\$ 10,027</u>

Depreciation expense charged to operations was \$2,187 in the fiscal year ended June 30, 1998.

**NOTE C – Contingencies**

Significant Concentration

As stated in Note A, the Program receives over 98% 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 is 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.

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

**NOTE C – Contingencies (Continued)**

The Program exceeded the maximum budgeted amount for a certain expense item. This situation may have caused the Program to violate certain restrictive provisions of their agreement with the State of Louisiana. The possible outcome of these matters, which has been reported to the appropriate grant officials, is uncertain at this time. Accordingly, no provision for any liability has been made in these financial statements for possible grantor claims for a refund.

**CHARMAINE PHILIPS-PLATENBURG**  
*Certified Public Accountant*

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE 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 (the Program) as of and for the year ended June 30, 1998 and have issued my report thereon dated July 28, 1998.

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.

The management of the Program is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs on internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projections of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of the Program for the year ended June 30, 1998, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I considered to be reportable conditions under standards established by the American Institute of Certified Public

Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the Program's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The Program failed to obtain an approved revised budget from the State of Louisiana, Governor's Office of Urban Affairs and Development before incurring cost in excess of the budgeted amount for one (1) expense item.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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 structure 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 as defined above. However, I believe none of the reportable conditions described above is a material weakness.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of the Program in a separate letter dated July 28, 1998.

This report is intended for the information of the Board of Directors, management, and the 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  
July 28, 1998

**CHARMAINE PHILIPS-PLATENBURG**

*Certified Public Accountant*

1340 Poydras Street • Suite 2130  
New Orleans, LA 70112



**CHARMAINE PHILIPS-PLATENBURG**  
*Certified Public Accountant*

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INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND GRANTS BASED ON AN  
AUDIT OF THE 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 (the Program) as of and for the year then ended June 30, 1998 and have issued my report thereon dated July 28, 1998.

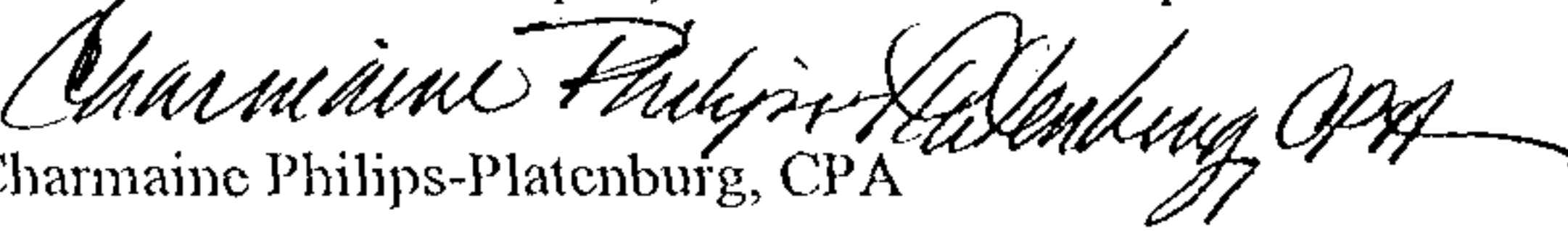
I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grant agreements applicable to the Program is the responsibility of the Program's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Program's compliance with certain provisions of laws, regulations, contracts, and grant agreements. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed the following instances of noncompliance that are required to be reported herein under *Government Auditing Standards* for which the ultimate resolution can not presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Program's 1998 financial statements.

The Program failed to obtain an approved revised budget from the Governor's Office of Urban Affairs and Development before incurring cost in excess of the budgeted amount for one (1) expense item.

This report is intended for the information of the Board of Directors, management, and the State of Louisiana, Governor's Office of Urban Affairs and Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Charmaine Philips-Platenburg, CPA

New Orleans, LA  
July 28, 1998

**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  
For the Year Ended June 30, 1998***

**Prior Audit Findings:** None

**Current Audit Findings:**

State of Louisiana Governor's Office of Urban Affairs and Development

1. Failure to Obtain Budget Revision Approval

**Statement of Condition:** The Program failed to obtain an approved revised budget from the Governor's Office of Urban Affairs and Development before incurring cost in excess of the budgeted amount for one (1) expense item.

**Criteria:** In accordance with the agreement between the Governor's Office of Urban Affairs and Development and Forever Our Children Section 12, applicable to the 1998 fiscal year, states, "Any alterations, variations, modifications or waivers of provisions of this agreement shall be valid only when they have been reduced to writing, duly signed and attached to the original of the agreement."

**Effect of Condition:** The Program exceeded the maximum budgeted amount for the following account:

Telephone \$ 567.08

**Questioned Costs:** \$ 567.08

**Cause of Condition:** Management failed to request a revised budget in writing from the Governor's Office of Urban Affairs and Development.

**Recommendations:** Implement procedures to properly monitor the spending habits of the Program and to identify the need to request budget revisions in a timely manner from the Governor's Office of Urban Affairs and Development.

**Management Response:** We concur with the finding listed above. We will take the auditor's recommendation under consideration to aid us in reducing the probability of the finding from occurring in future periods. We will also make the necessary arrangements to repay the funds that were improperly utilized.



# **FOREVER OUR CHILDREN, INC.**

3200 St. Bernard Avenue  
New Orleans, Louisiana 70119

RECEIVED DIRECTOR

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Suite 100  
(504) 947-5799

*Alecia M. Williams, Director*

August 27, 1998

Mrs. Charmaine Platenburg, C.P.A.  
1340 Poydras Street Suite 2130  
New Orleans, LA 70112

Dear Sirs:

In response to your audit finding listed under reportable conditions on page 13 of your report, below you will find my reply along with the correction that is now in place.

## **CURRENT AUDIT FINDING:**

Failure to Obtain Budget Revision Approval

## **PLAN OF CORRECTION:**

Forever Our Children, Inc. will take into consideration the recommendations suggested by the auditor. We will also incorporate as part of our Board of Director's Meeting a Budget to Actual Expenditure Review. If the agency's spending habits warrant a revision, one would be requested from Urban Affairs before such additional expenses are incurred. To ensure this overage will not happen in the future, we will also take the necessary steps to monitor the budget on a daily basis toward the end of the fiscal period.

Should you have any questions concerning the response that has been given, please contact me at the above number.

Sincerely,



Alecia M. Williams

*"Seeing Beyond the Present to the Potential"*