

RECEIVED  
LEGISLATIVE AUDITOR  
1999 DEC 29 AM 11:24

ORIGINAL  
FILE COPY  
-----  
LEGISLATIVE AUDIT  
-----  
(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

**PEOPLE UNLIMITED, INC.  
FINANCIAL STATEMENTS  
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 JAN 19 2000

PEOPLE UNLIMITED, INC.  
FOR THE YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
Independent Auditors' Report		2
Statement of Financial Position		3
Statement of Activities		4
Statement of Cash Flows		5
Statement of Functional Expenses		6-7
Notes to Financial Statements		8-13
OTHER SUPPLEMENTARY DATA		
Combined Schedule of Revenue, Expenses, and Changes in Net Assets		15
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		16-17
Schedule of Findings and Questioned Costs	1	18-19
Summary of Prior Year Findings	2	20
Corrective Action Plan		21

# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of LCPA'S

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
People Unlimited, Inc.  
Ruston, Louisiana 71270

I have audited to balance sheet of People 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 People Unlimited, Inc.'s management. My responsibility is to express an opinion on these financial statements based on our audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards for financial and compliance 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 People Unlimited, Inc., as of June 30, 1999, and the changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Ruston, Louisiana  
December 28, 1999

**People Unlimited, Inc.**  
**Statement of Financial Position**  
**For the Year Ended June 30, 1999**

<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$138,295
Accounts receivable	169,055
Due from related party	48,050
Prepaid expenses	166
Fixed Assets:	
Furniture and equipment, net	<u>89,999</u>
<b>TOTAL ASSETS</b>	<u><u>\$445,565</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
Current liabilities:	
Accounts payable and accrued expenses	\$71,017
Net assets:	
Unrestricted	305,870
Temporarily restricted	68,678
Permanently restricted	<u>0</u>
Total net assets	<u>374,548</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$445,565</u></u>

See accompanying auditor's report and notes to financial statements.

**People Unlimited, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 1999**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT				
Unrestricted revenues, gains, and other support	\$92,027			\$92,027
Intergovernmental revenues, gains and other support	1,185,021	\$65,529		1,250,550
Net assets released from restrictions	<u>31,918</u>	<u>(31,918)</u>		<u>0</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	<u>1,308,966</u>	<u>33,611</u>	<u>0</u>	<u>1,342,577</u>
EXPENSES AND LOSSES				
Unrestricted expenses and losses	<u>1,211,573</u>			<u>1,211,573</u>
TOTAL EXPENSES	<u>1,211,573</u>	<u>0</u>	<u>0</u>	<u>1,211,573</u>
Change in net assets	97,393	33,611	0	131,004
Net assets as of beginning of year	<u>208,477</u>	<u>35,067</u>	<u>0</u>	<u>243,544</u>
Net assets as of end of year	<u>\$305,870</u>	<u>\$68,678</u>	<u>\$0</u>	<u>\$374,548</u>

See accompanying auditor's report and notes to financial statements.

**People Unlimited, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 1999**

<b>Operating activities</b>	<b>\$131,004</b>
Change in net assets	\$131,004
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	31,918
Increase in accounts receivable	(182)
Decrease in accounts receivable - employee	43
Increase in due from related party	(48,050)
Decrease in prepaid expenses	11,877
Decrease in deposits	6,600
Increase in accounts payable and accrued expenses	25,862
Net cash provided by operating activities	<u>159,072</u>
	0
<b>Investing activities</b>	<b>(65,529)</b>
Additions to property and equipment	(65,529)
Deletions to property and equipment	(5,625)
Net cash provided by investing activities	<u>(71,154)</u>
	0
<b>Financing activities</b>	<b>87,918</b>
Net increase (decrease) in cash and cash equivalents	87,918
Cash and cash equivalents as of beginning of year	<u>50,377</u>
Cash and cash equivalents as of end of year	<u><u>\$138,295</u></u>

Taxes - cash basis	\$58,628	
Interest - cash basis	\$ - 0 -	

**SUMMARY**  
Cash in bank

\$138,295

See accompanying auditor's report and notes to financial statements.

**People Unlimited, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 1999**

	<u>Adult Services</u>	<u>Children Services</u>	<u>Case Mgt. Services</u>	<u>Respite</u>	<u>Residential</u>	<u>Personal Care Attendant</u>	<u>Management and General</u>	<u>Total</u>
Compensation	\$261,704	\$85,568	\$124,355	\$33,391	\$71,862	\$89,806	\$71,171	\$737,857
Employee benefits - medical	20,108	5,022	8,255	3,186	3,988	4,498	10,014	55,071
Payroll taxes	17,191	7,521	10,370	3,053	6,535	8,010	5,948	58,628
Conferences and training	75	5	81	13	13	68	356	611
Data processing	25	19	265				637	946
Bad debt expense							32,391	32,391
Depreciation	31,918							31,918
Dues and licenses	400	50	1,200	50	26	50	1,404	3,180
Food	37,227							37,227
Property insurance	504	236					1,494	2,234
Vehicle insurance	8,891	1,047	717				12,827	23,482
Workman's comp insurance							17,292	17,292
Maintenance of building	4,120						228	4,348
Maintenance of equipment	1,285						75	1,360
Miscellaneous	2,548	2,261	3,040	133	377	227	11,083	19,669
Occupancy - utilities	5,428	2,043					5,086	12,557
Occupancy - lease	7,228	8,778	3,892				14,200	34,098
Postage		(194)	255				495	556
Supplies - cleaning and maintenance	3,027	11,446	36			13	1,335	15,857
Supplies - medical	4,971						958	5,929
Supplies - office	749	9,900	927	40	259	6	8,089	19,970
Supplies - crews	16,739	4,222						20,961

(Continued)



People Unlimited, Inc.  
Statement of Functional Expenses  
For the Year Ended June 30, 1999

	Adult Services	Children Services	Case Mgt. Services	Respite	Residential	Personal Care Attendant	Management and General	Total
Telephone	1,288	2,667	3,748				8,298	16,001
Transportation - auto	10,195		13,426	1,546	8,376	1,072	972	36,336
Travel and seminar	2,951	7,993	1,055				7,544	12,899
Professional services	4,300							
Total expenses before allocation	\$442,872	\$148,584	\$171,622	\$41,412	\$91,436	\$103,750	\$211,897	\$1,211,573
Allocate Management and General	93,874	31,495	36,378	8,778	19,381	21,991	(211,897)	0
TOTAL EXPENSES	<u>\$536,746</u>	<u>\$180,079</u>	<u>\$208,000</u>	<u>\$50,190</u>	<u>\$110,817</u>	<u>\$125,741</u>	<u>\$0</u>	<u>\$1,211,573</u>

See accompanying auditor's report and notes to financial statements.



PEOPLE UNLIMITED, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Nature of Activities**

People Unlimited, Inc. was established in 1987, and received their tax exempt status as a 501 (c)(3) organization in October, 1990, to promote the general welfare of all mentally challenged persons. Their programs are designed to assist and train clients to become independent citizens within the community. The principal programs consist of vocational training, temporary care of clients, and early intervention.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Cash Equivalents**

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash with an initial maturity of three months or less.

**Restricted and Unrestricted Revenue and Support**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

**Donated Services**

A significant portion of People Unlimited, Inc.'s functions related to courses and seminars is conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition under SFAS No. 116.

**Lease Commitment**

Rent expense is recognized on a straight line basis over the term of the lease.

People Unlimited, Inc.  
Notes to the Financial Statements  
For the Year Ended June 30, 1999

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

**Fixed Assets**

Fixed assets are stated at cost. Depreciation is provided on the straight line method over the estimated useful lives of the assets.

**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.

**2. PROPERTY AND EQUIPMENT**

Unrestricted - there were no unrestricted capitalized land, buildings, or equipment as of June 30, 1999.

Temporarily restricted - the organization purchased a tractor with a bushhog, phone system, trailer, washer and dryer, ice machine, and several desks and computers. Also the organization improved the interior by building and painting several pieces of furniture and cabinets.

Permanently restricted - there were no permanently restricted land, buildings, or equipment as of June 30, 1999.

The following is a schedule of additions and deletions for the year ended June 30, 1999:

People Unlimited, Inc.  
Notes to the Financial Statements  
For the Year Ended June 30, 1999

	<u>Balance</u> <u>6/30/98</u>	<u>Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/99</u>
Equipment	\$54,111	(\$49,197)	\$65,529		\$70,443
Vehicle	14,064	\$55,797		(975)	68,886
Less accumulated depreciation	<u>(17,412)</u>		<u>(31,918)</u>		<u>(49,330)</u>
Total	<u>\$50,763</u>	<u>\$6,600</u>	<u>\$33,611</u>	<u>(\$975)</u>	<u>\$89,999</u>

**3. COMPENSATED ABSENCES**

Accrued compensated absences consist of unpaid sick leave and personal leave as follows:

Sick leave	\$3,864
Personal leave	<u>8,727</u>
Total	<u>\$12,591</u>

**4. FUNCTIONAL EXPENSES**

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated by various statistical bases.

**5. PROGRAMS**

The organization's principal programs and primary funding sources are:

Adult Habilitation - this program's income is derived from the Louisiana Department of Health and Hospitals. These funds are used to train clients in vocational and pre-vocational activities and supportive services. Service fee charges Community Bridges' clients for training in the amount of approximately \$XXX are included in charges for services.

Vocational Rehabilitation - this program's income is derived from the Department of Social Services, Office of Louisiana Rehabilitative Services. This program provides vocational training support to clients placed in jobs within the community.

Supported Work Contracts - this program's income is derived from services by clients which include janitorial and other contracts.

People Unlimited, Inc.  
Notes to the Financial Statements  
For the Year Ended June 30, 1999

Supported/Independent Living - this program's income is derived from the Louisiana Department of Health and Hospitals. This program helps the individual clients become more independent by providing support and training in their residences within the community.

Respite - this program's income is derived from the Louisiana Department of Health and Hospitals. The program provides temporary care within the client's home.

Personal Care Attendant - this program's income is derived from the Louisiana Department of Health and Hospitals. This program provides support and training for individuals in satisfying their own personal needs.

Early Intervention - this program's income is derived from the Louisiana Department of Health and Hospitals, United Way, and Department of Education. This program provides training and therapeutic services to disabled infants, ages 0 to 3 years.

## **6. TAX-EXEMPT STATUS**

The organization is exempt from income tax under Section 501 (c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. Contributions to the organization are tax deductible within the limitations prescribed by the Code.

## **7. RESTRICTIONS ON NET ASSETS**

The only restricted assets owned by People Unlimited, Inc. are fixed assets.

## **8. FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted, based on the approximate ratio of total revenue.

## **9. LEASES**

There were no capital leases at June 30, 1999. All other facilities are rented on a month to month basis.

## **10. SUBSEQUENT EVENTS**

Subsequent to year end, some of the contracts were awarded to two for profit companies controlled by People Unlimited, Inc.'s executive director. As a result, the gross revenue for the year ended June 30, 2000, should be substantially lower.



People Unlimited, Inc.  
Notes to the Financial Statements  
For the Year Ended June 30, 1999

**11. SCHEDULE OF STATE GRANT FINANCIAL ASSISTANCE**

<u>Grant/Program Title</u>	<u>Grant I.D. number</u>	<u>Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditure</u>	<u>Total State Revenue June 30, 1999</u>
Louisiana Department of Health and Hospitals  Office for Citizens with Developmental Disabilities  Vocational and Habilitative Services	CFMS 521099	\$185,673	\$185,673	\$185,673	\$185,673
Supported Living	CFMS 532543	1,454	1,454	1,454	1,454
Infant Habilitation	CFMS 531597	94,772	94,772	94,772	94,772
Social Services	CFMS 532238	16,615	16,615	16,615	16,615
Total		<u>\$298,514</u>	<u>\$298,514</u>	<u>\$298,514</u>	<u>\$298,514</u>

**12. SCHEDULE OF REVENUE**

	<u>Federal</u>	<u>State</u>	<u>Fees for Services</u>	<u>Total</u>
Adult services		\$185,673	\$370,113	\$555,786
Respite			52,743	52,743
Residential services		1,454	133,763	135,217
Children services	\$25,000	94,772	55,971	175,743
Case management		16,615	295,197	311,812
Personal Care			111,276	111,276
Total	<u>\$25,000</u>	<u>\$298,514</u>	<u>\$1,019,063</u>	<u>\$1,342,577</u>

**13. WRITE OFF OF BAD DEBT**

People Unlimited, Inc. uses the direct write off method of recording bad debt. During the year, management reviewed all outstanding receivables and wrote off \$32,391 because much of the bad debt does not relate to the current contract. Management elected to record the write off in general and administrative.

**14. CONTINGENCIES**

During the year, the organization had funds in the bank in excess of the \$100,000 FDIC insurance coverage. The organization is at risk for that excess.

People Unlimited, Inc.  
Notes to the Financial Statements  
For the Year Ended June 30, 1999

**15. YEAR 2000 COMPUTER SYSTEMS COMPLIANCE**

The management of People Unlimited, Inc. has reviewed the software systems and related applications used to assess its requirements regarding the "Year 2000 Issue" which, if unresolved, could have a significant impact on the organization's operations. The organization has made and will continue to make the expenditures necessary to ensure that its software systems and applications continue to function properly before, during, and after the year 2000. These expenditures, which are expensed as incurred, have not been and are not expected to be material to the organization's financial position or results of operations.

SUPPLEMENTAL INFORMATION SCHEDULES



**People Unlimited, Inc.**  
**Combining Schedule of Revenue, Expenses,**  
**and Changes in Net Assets - Unrestricted**  
**For the Year Ended June 30, 1999**

	<u>Adult Services</u>	<u>Children Services</u>	<u>Case Mgt. Services</u>	<u>Respite</u>	<u>Residential</u>	<u>Personal Care Attendant</u>	<u>Unrestricted Total</u>
REVENUE							
Intergovernmental	398,230	175,743	311,812	52,743	135,217	111,276	\$1,185,021
Supported Work Contracts	100						100
Charges for services - Professional staff	91,927						91,927
Net assets released from temporarily restricted	<u>31,918</u>						<u>31,918</u>
TOTAL REVENUES	<u>522,175</u>	<u>175,743</u>	<u>311,812</u>	<u>52,743</u>	<u>135,217</u>	<u>111,276</u>	<u>1,308,966</u>
EXPENSES	<u>536,746</u>	<u>180,079</u>	<u>208,000</u>	<u>50,190</u>	<u>110,817</u>	<u>125,741</u>	<u>1,211,573</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENSES	(14,571)	(4,336)	103,812	2,553	24,400	(14,465)	97,393
NET ASSETS, BEGINNING							<u>208,477</u>
NET ASSETS, ENDING							<u><u>\$305,870</u></u>

See accompanying auditor's report and notes to financial statements.

# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of LCPA'S

## 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  
People Unlimited, Inc.

I have audited the financial statements of People Unlimited, Inc. (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued my report thereon dated December 28, 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 People 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance, which I have reported to management of People Unlimited, Inc. in a separate letter dated December 28, 1999.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered People 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. My 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. I noted no matters involving the internal control over 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 People Unlimited, Inc. in a separate letter dated December 28, 1999.

This report is intended for the information and use of management and interested federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "William Edwards".

Ruston, Louisiana  
December 28, 1999

PEOPLE UNLIMITED, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 1999

I have audited the financial statements of People Unlimited, Inc. as of and for the year ended June 30, 1999, and have issued my report thereon dated December 28, 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. My audit of the financial statements as of December 28, 1999, resulted in an unqualified opinion.

**A. Summary of Audit Results**

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses \_\_\_ Yes X No Reportable \_\_\_ Yes X No

Compliance

Compliance Material to Financial Statements \_\_\_ Yes X No

2. Federal Awards

Internal Control

Material Weaknesses \_\_\_ Yes X No Reportable \_\_\_ Yes X No

Type of Opinion On Compliance Unqualified \_\_\_ Qualified \_\_\_  
 For Major Programs Disclaimer \_\_\_ Adverse \_\_\_

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?  
 \_\_\_ Yes X No

3. Identification of Major Programs:

CFDA Number(s)	Name of Federal Program (or Cluster)
N/A	

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the audited a "low-risk" audited, as defined by OMB Circular A-133? \_\_\_ Yes X No

**B. Financial Statements Findings**

None

**C. Federal Award Findings and Questioned Costs**

None

PEOPLE UNLIMITED, INC.  
SUMMARY OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 1999

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

None

**B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

None

**C. MANAGEMENT LETTER**

None

**PEOPLE UNLIMITED, INC.**  
P.O. BOX 1331 1306 CORNELL DRIVE  
RUSTON, LA 71270

**CORRECTIVE ACTION PLAN**  
For the Year Ended June 30, 1999

People Unlimited, Inc. hereby submits the following action plan as referenced in the management letter:

99-1. For the year ended June 30, 1999, the financial manager was not adequately bonded.

Recommendation: I recommend that this coverage be added to the next policy.

Response: The organization will add this coverage to the next policy.

99-2. For the year ended June 30, 1999, the organization did not participate in an annual meeting with required documentation.

Recommendation: I recommend that the organization hold annual meetings and keep minutes to document the event.

Response: The organization will conduct an annual meeting and retain the minutes.



# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of LCPA'S

## MANAGEMENT LETTER

I have audited the financial statements of People Unlimited, Inc. as of and for the year ended June 30, 1999, and have issued my report thereon dated December 28, 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.

As part of my examination, I have issued my report on the financial statements, dated December 28, 1999, and my report on internal control and compliance with laws, regulations, and contracts, dated December 28, 1999.

During the course of my examination, I became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved controls.

Suggestion 99-1. During my fieldwork, I inquired of management of the bookkeeper's bond coverage. The Executive Director and bookkeeper researched and determined that the bookkeeper did not have adequate coverage. I recommend that management add this coverage to the next policy.

Suggestion 99-2. During my fieldwork, I inquired of management for the minutes of the organization's annual meeting. The bookkeeper replied that there was no annual meeting with minutes. I recommend that management hold annual meetings and keep minutes to document the discussions.

I recommend management address the foregoing issues as improvements to operations and the administration of public programs. I am available to further explain the suggestion or help implement the recommendation.



William D. Edwards, CPA  
December 28, 1999