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CARING TO LOVE MINISTRIES, INC.
BATON ROUGE, LOUISIANA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-8-04

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Certified Public Accountant



Donald C. DeVille

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INDEPENDENT AUDITOR'S REPORT

June 11, 2004

Members of the Board of Directors
Caring To Love Ministries, Inc.
Baton Rouge, Louisiana

I have audited the accompanying statement of financial position of Caring To Love Ministries, Inc. (a non-profit organization) as of December 31, 2003, and the related statements of activities, functional expenses and cash flows, for the year then ended. These financial statements are the responsibility of Caring To Love Ministries, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 provided 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 Caring To Love Ministries, Inc. as of December 31, 2003, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated June 11, 2004, on our consideration of Caring To Love Ministries, Inc.'s internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the basic financial statements of Caring To Love Ministries, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Neil C. Smith

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003

	<u>UNRESTRICTED</u>	<u>TEMPORARY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
ASSETS				
Cash & equivalents	\$212,958	\$-0-	\$-0-	\$212,958
Accounts Receivable	17,010	-0-	-0-	17,010
Grants Receivable	111,197	-0-	-0-	111,197
Fixed Assets	224,548	-0-	-0-	224,548
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	565,713	-0-	-0-	565,713
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Loans Payable	\$30,000	-0-	\$-0-	\$30,000
Accounts Payable	6,271	-0-	-0-	6,271
Employee Withholding	7,619	-0-	-0-	7,619
Accrued Wages	5,281	-0-	-0-	5,281
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	49,171	-0-	-0-	49,171
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS				
Unrestricted	516,542	-0-	-0-	516,542
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	516,542	-0-	-0-	516,542
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES & NET ASSETS	565,713	-0-	-0-	565,713
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF ACTIVITY
YEAR ENDED DECEMBER 31, 2003

	<u>UNRESTRICTED</u>	<u>TEMPORARY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUE AND OTHER SUPPORT:				
Contributions	\$215,494	\$-0-	-0-	\$215,494
Grant Income	1,743,535	-0-	-0-	1,743,535
Program Service Fees	5,407	-0-	-0-	5,407
Special Events	38,454	-0-	-0-	38,454
Sales to Public	1,720	-0-	-0-	1,720
Interest Income	241	-0-	-0-	241
Other Revenue	2,879	-0-	-0-	2,879
TOTAL REVENUE	2,007,730	-0-	-0-	2,007,730
EXPENSES:				
Program Services	1,276,531	-0-	-0-	1,276,531
Support Services				
Management	484,926	-0-	-0-	484,926
Fund Raising	34,700	-0-	-0-	34,700
TOTAL EXPENSES	1,796,157	-0-	-0-	1,796,157
EXCESS OF REVENUE OVER EXPENSES	211,573	-0-	-0-	211,573
Net Assets, January 1	299,917	-0-	-0-	322,169
Net Assets, December 31	533,742	-0-	-0-	533,742

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2003

	<u>FEMA/ LIFE CHOICE/ SPRAMS PROGRAMS</u>	<u>MANAGEMENT</u>	<u>FUND RAISER</u>	<u>TOTAL</u>
Salaries	\$ 86,675	\$297,256	\$-0-	\$383,931
Employee Benefits	-0-	15,209	-0-	15,209
Payroll Taxes	-0-	22,056	-0-	22,056
Advertising & P R	66,219	28,124	-0-	94,343
Auto	-0-	2,627	-0-	2,627
Bank Charges	-0-	1,894	-0-	1,894
Special Events	-0-	-0-	34,700	34,700
Benevolence	-0-	3,051	-0-	3,051
Contract Labor	23,125	5,715	-0-	28,840
Conferences	38,280	5,346	-0-	43,626
Donations	-0-	6,097	-0-	6,097
Education	5,004	4,158	-0-	9,162
Supplies	808,282	12,360	-0-	820,642
Insurance	-0-	7,942	-0-	7,942
Interest Expense	-0-	1,670	-0-	1,670
Licenses and Fees	-0-	17,265	-0-	17,265
Postage	7,891	3,844	-0-	11,735
Maintenance	-0-	6,859	-0-	6,859
Telephone	8,135	18,201	-0-	26,336
Travel	11,534	6,431	-0-	17,965
Printing	89,320	493	-0-	89,813
Occupancy	-0-	7,155	-0-	7,155
FEMA Expenses	3,289	-0-	-0-	3,289
Accounting	10,000	-0-	-0-	10,000
Legal	1,667	-0-	-0-	1,667
Proram Services	117,110	-0-	-0-	117,110
Depreication	-0-	8,968	-0-	8,968
Miscellaneous	-0-	2,205	-0-	2,205
TOTAL	<u>1,276,531</u>	<u>484,926</u>	<u>34,700</u>	<u>1,796,157</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Increase (Decrease) In Net Assets	\$211,573
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:	
Depreciation	8,968
(Increase) Decrease In Operating Assets:	
Receivables	(17,010)
Grants Receivable	(14,067)
Increase (Decrease) In Operating Liabilities:	
Accounts Payable	6,402
Withholding	2,905
Accrued Wages	5,281
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	204,052
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<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of Equipment & Building Improvements	(119,930)
	<hr/>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Proceeds of Long-Term Borrowings	122,500
Repayment of Long-Term Borrowings	(92,500)
	<hr/>
	30,000
	<hr/>
NET INCREASES (DECREASE) IN CASH AND CASH EQUIVALENTS	114,122
CASH AND CASH EQUIVALENTS, Beginning of Year	98,836
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CASH AND CASH EQUIVALENTS, End of Year	212,958
	<hr/> <hr/>
SUPPLEMENTAL DATA:	
Interest paid	1,670
	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CARING TO LOVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Caring To Love Ministries, Inc. was established in 1983 and is a 501 (c) (3) non-profit, non-discriminatory organization with a voluntary board of directors. It originated to assist and educate teens in various life-changing issues; this assistance is practical in nature - adult women helping teenage women. They extend a loving hand to teens, offering them real hope out of unplanned pregnancy, chemical dependency and poverty.

BASIS OF PRESENTATION

The Organization has adopted Statement of Financial Accounting Standards No. 117 (SFAS No. 117), Financial Statements of Not-for-Profit Organizations. Under FAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. The Organization does not use fund accounting.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

CARING TO LOVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

DONATED SERVICES

Amounts have been reported in the statements for donated services because they do meet the criteria for recognition under SFAS No. 116. A substantial number of volunteers have donated significant amounts of their time to the Organization.

Contributions of service shall be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individual possessing those skills and would typically need to be purchased if not provided by donation.

Contributions

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received And Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted supported depending on the existence or nature of any donor restrictions.

Tax Status

The Organization is exempt from Federal Income Taxes under Section 501 (c) (3) of the Internal Revenue Code, and has been designated as an organization which is not a private Foundation.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with maturity of three months or less to be cash equivalents.

INVESTMENTS

The Organization has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-For-Profit Organizations." Under SFAS No. 124, investments in marketable securities with ready 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. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

ACCOUNTS RECEIVABLE

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

CARING TO LOVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

INVENTORIES

Inventory is stated at the lower cost or market, determined by the first-in, first-out method. There were no inventories at year end.

PREPAID

Insurance and similar services which extend over more than one accounting period have been recorded as expense.

USE OF ESTIMATES

The preparation of financial statements in-conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

PROPERTY AND EQUIPMENT

The purchase of property and equipment is recorded at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$1,000. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment is depreciated using the straight-line method over the estimated useful lives of 5 to 15 years.

NOTE #2. CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

Organization maintains seven bank accounts at one financial institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

At **December 31, 2003**, Organization had cash and cash equivalent (book balances) totaling **\$212,958**. These deposits are stated at cost, which approximates market. Also at year end, the Organization had **\$297,043** in deposits (collected bank balances) of which \$100,000 was secured by FDIC insurance and **\$197,043** was at risk.

CARING TO LOVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #3. GRANTS RECEIVABLE

Grants receivable at year-end comprise of the following:

Department of Social Services	\$111,197
	<u> </u>

NOTE #4. FIXED ASSETS

A summary of Fixed Assets at year end follows:

	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>BOOK VALUE</u>
Vehicle	\$11,144	\$6,687	\$4,457
Buildings	225,939	51,588	174,351
Equipment	135,447	89,707	45,740
	<u> </u>	<u> </u>	<u> </u>
Total	<u>372,530</u>	<u>147,982</u>	<u>224,548</u>

NOTE #5. LINE OF CREDIT

The Organization obtained a \$100,000 Line of Credit at a local bank with an interest rate of 6.00%. As of **December 31, 2003**, there was an outstanding balance of \$30,000.

NOTE #6. LEASE COMMITMENTS

On March 16, 1992, the Organization entered into a ninety-nine year land lease. The rents to be paid by the Organization are \$100 per month.

The future minimum lease payments are as follows:

December 31, 2004,	\$1,200
December 31, 2005,	1,200
December 31, 2006,	1,200
December 31, 2007,	1,200
December 31, 2008,	1,200
Thereafter	109,500

CARING TO LOVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #7. ECONOMIC DEPENDENCY

The Organization receives the majority of its revenues from funds provided through various federal, state and private grants. During the year end December 31, 2003, approximately 87% of revenue was received from the Capital Area United Way and state and private Grants. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal, state and or local level the amount of funds Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next fiscal year.

NOTE #8. FEDERAL COMPLIANCE CONTINGENCIES

The Organization receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

NOTE #9 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, theft of, damage of and destruction of assets; errors and omissions and natural disasters for which the organization carries commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

SUPPLEMENTAL INFORMATION

CARING TO LOVE MINISTRIES, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2003

<u>PROGRAM TITLE</u>	<u>FEDERAL CDFA NUMBER</u>	<u>FEDERAL REVENUE RECOGNIZED</u>	<u>FEDERAL EXPENSES</u>
 <u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Emergency Food and Shelter Program	83.523	\$3,289	\$3,289
 <u>DEPARTMENT OF HEALTH & HUMAN SERVICES:</u>			
Temporary Assistance for Needy Families	93.558	1,163,429	1,163,429 *
 TOTALS		 <u>1,166,718</u>	 <u>1,166,718</u>

* Major Grant

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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**

June 11 2004

To the Board of Directors
Caring to Love Ministries, Inc.

I have audited the financial statements of the Caring To Love Ministries, Inc. as of and for the year ended December 31, 2003, and have issued my report thereon dated June 11, 2004. 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 Organization'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

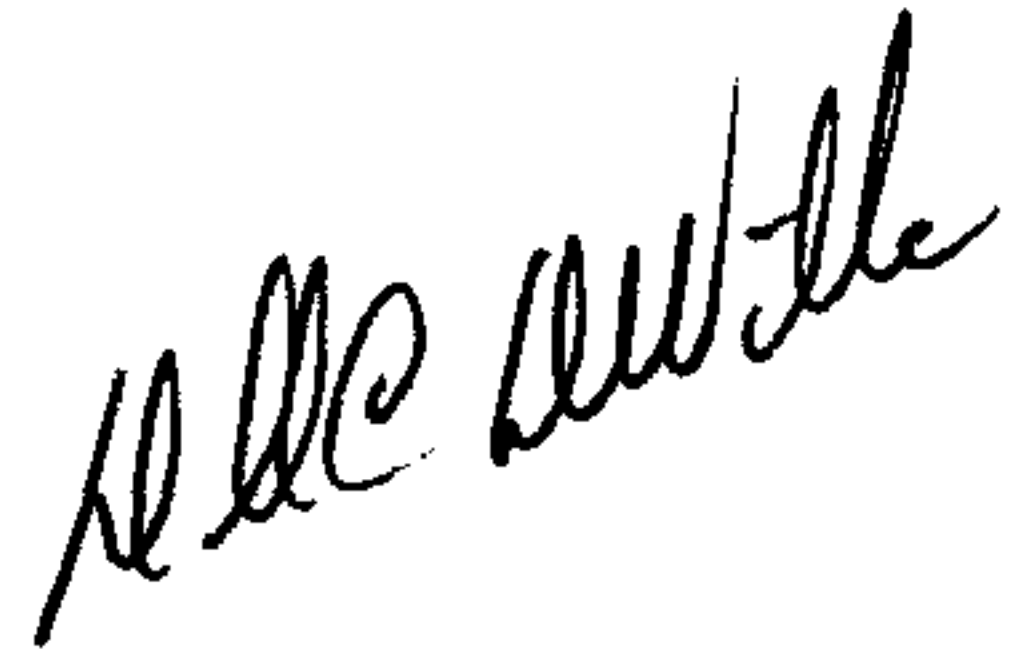
In planning and performing my audit, I considered Organization's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operations 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 judgement, could adversely affect its 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.

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 we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, and grantors and is not intended to be and should not be used by anyone other than these specified parties.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "R. D. White", is written diagonally across the page.

Certified Public Accountant



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

June 11, 2004

Members of the Board of Directors
Caring To Love Ministries, Inc.
Baton Rouge, Louisiana

Compliance

I have audited the compliance of Caring To Love Ministries, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2003. The organization's major federal programs are identified in the schedule of federal financial assistance. Compliance with the requirements of law, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Organizations management. My responsibility is to express an opinion on the Caring To Love Ministries, Inc.'s compliance 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; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the Caring To Love Ministries, Inc. compliance with those requirements and performing such other procedures as I considered in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Caring To Love Ministries, Inc.'s Compliance with those requirements.

In my opinion, the Caring To Love Ministries, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the Caring To Love Ministries, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant applicable to federal programs. In planning and performing my audit, we considered the Caring To Love Ministries, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material relation to a major federal program 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 compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization and federal awarding agencies, pass-through entities, and Louisiana State Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

W. C. Sewill

CARING TO LOVE MINISTRIES, INC.
SCHEDULE OF PRIOR YEARS AUDIT FINDINGS
FOR YEAR ENDED DECEMBER 31, 2003

<u>REF</u>	<u>FISCAL YEAR</u> <u>FINDING</u> <u>INITIALLY</u> <u>OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE</u> <u>ACTION TAKEN</u> <u>(YES,NO,PARTIALLY)</u>	<u>CORRECTIVE</u> <u>ACTION/PARTIAL</u> <u>CORRECTIVE</u> <u>ACTION TAKEN</u>
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NONE

CARING TO LOVE MINISTRIES, INC.
SCHEDULE OF CURRENT YEARS FINDINGS
YEAR ENDED DECEMBER 31, 2003

NONE

CARING TO LOVE MINISTRIES, INC.
CORRECTIVE ACTION PLAN
FOR YEAR ENDED DECEMBER 31, 2003

NOT APPLICABLE

CARING TO LOVE MINISTRIES, INC.
SUMMARY OF FINDINGS AND QUESTIONED COST
FOR YEARS ENDED DECEMBER 31, 2003

As required by U.S. Office of Management of Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the following is a summary of the results of my audit:

Type of report issued on financial statements - unqualified.

Type of report issued on compliance for major programs -unqualified.

The results of audit procedures disclosed no questioned costs.

My audit disclosed no findings which are required to be reported under Section 510(a).

The Following programs were determined to be a Type B major program:

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA #93.558 Temporary Assistance for Needy Families

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000 as specified under Section 520(b).

Organization qualified as a low risk auditee under Section 530.