

**ZION TRAVELER BAPTIST CHURCH
RUSTON, LOUISIANA**

**AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003**

BY

**BOBBY GRAY
CERTIFIED PUBLIC ACCOUNTANT**

Post Office Box 1213
2072 Martin Luther King Jr. Avenue
Grambling, Louisiana 71245

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

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION

For the Year Ended December 31, 2003

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana
Financial Statements
And
Independent Auditor's Report
For the Year Ended December 31, 2003

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Bobby Gray

CERTIFIED PUBLIC ACCOUNTANT

• Accounting Services

• Income Tax Services

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Independent Auditor's Report

Pastor and Trustee Board
Zion Traveler Baptist Church
1201 Martin Luther King
Ruston, LA. 71270

I have audited the accompanying statements of financial position of Zion Traveler Baptist Church (a nonprofit organization) as of December 31, 2003, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of Zion Traveler's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. These 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 Zion Traveler Baptist as of December 31, 2003 and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.



Bobby Gray
Certified Public Accountant
Grambling, Louisiana
June 11, 2004

FINANCIAL STATEMENTS

STATEMENT A

ZION TRAVELER BAPTIST CHURCH
STATEMENT OF FINANCIAL POSITION
FOR THE TWO YEARS ENDED DECEMBER 31, 2003

	<u>2003</u>
Assets	
Cash and cash equivalents	
Checking accounts	\$ 90,888
Savings accounts	191,794
Certificates of deposits	386,323
Total cash and cash equivalents	<u>669,005</u>
Fixed assets	
Land and land improvements	32,675
Buildings and improvements	606,459
Construction in progress	5,914
Furniture, fixtures, and equipment	222,077
Vehicles	83,000
Total fixed assets	<u>950,125</u>
Less: accumulated depreciation	<u>(657,426)</u>
Total net fixed assets	<u>292,699</u>
Total assets	<u>\$ 961,704</u>
Liabilities and Net Assets	
Liabilities:	
Accounts payable	
Payroll liabilities	2,023
Total liabilities	<u>2,023</u>
Net Assets:	
Unrestricted net assets	959,681
Total unrestricted net assets	<u>959,681</u>
Temporarily restricted net assets	5,976
Total net assets	<u>965,657</u>
Total liabilities and net assets	<u>\$ 961,704</u>

See accompanying notes to the financial statements.

STATEMENT B

**ZION TRAVELER BAPTIST CHURCH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>2003</u>
REVENUES AND OTHER SUPPORT:	
Tithes and offerings	\$ 367,684
Special fund donations	68,474
Miscellaneous receipts	15,285
Interest income	<u>5,315</u>
 Total Revenues and Other Support	 456,758
 EXPENSES:	
Personal services and fringe benefits	180,135
Building and grounds	67,258
Pastoral ministries	10,069
Christian education ministries	19,104
Tutorial ministry	14,265
General operating expenses	8,505
Support ministries	9,263
Benevolence ministries	9,589
Transportation ministries	8,680
Depreciation expense	40,235
Miscellaneous expenses	4,833
Total Expenses	<u>371,936</u>
 CHANGE IN NET ASSETS	 \$ 84,822

See accompanying notes to the financial statements.

STATEMENT C

**ZION TRAVELER BAPTIST CHURCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>2003</u>
Change in net assets	\$ 84,822
Adjustments to reconcile change in net assets	
Cash provided by operating activities:	
Depreciation expense	40,235
Investment in land	
Adjustment to payroll liabilities	
Decrease(increase) in receivables	
Increase(decrease) in payables	-
Total adjustments	<u>40,235</u>
 Total adjustments and cash provided by operating activities	 <u>125,057</u>
 Cash and cash equivalents at beginning of year	 <u>503,997</u>
 Cash and cash equivalents at end of year	 <u><u>\$629,054</u></u>

See accompanying notes to the financial statements.

**Zion Traveler Baptist Church
Ruston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

The Zion Traveler Baptist Church is a non-profit organization, incorporated as a religious corporation whose purpose is to support the doctrines, beliefs, and works and to be subject to the laws, regulations, and usages of a Baptist Association of Churches, to which it may belong or to which it may be affiliated. The church was incorporated pursuant to the provisions of Act 455 of 1948 (R.S. 12:101 – 12:155). The Articles of Incorporation were amended in 1976 to grant management responsibility to the Board of Trustees. The Trustees perform the business and property management duties of the Church and such other duties required by law and approved by the members of the church. The Pastor of the church is an ex-officio member of the Board of Trustees.

2. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restriction. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets-Net assets, which are not subject to donor-imposed restrictions.

Temporarily restricted net assets-Net assets subject to donor-imposed restrictions, which may or will be met, either by action of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets-Net assets subject to donor-imposed restrictions that they be maintained permanently by the organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana
Notes to the Financial Statements
Page 2

3. Public Support and Revenue

Revenue and public support consists primarily of tithes and offerings and state grants. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions, in the form of tithes and offerings are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Trustees exercises discretionary control have been included in the General Fund.

4. 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.

5. Cash and Cash Equivalents

The organization considers all highly liquid investments with maturity of twelve months or less when purchased to be cash equivalents. Cash and cash equivalents, for purposes of the Statement of Cash Flows, exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest-bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. As of December 31, 2003, Zion Traveler Baptist Church has cash in the amount of \$669,005 as follows:

	<u>2003</u>
Unrestricted	\$ 663,029
Temporarily restricted	5,976
<u>Permanently restricted</u>	
Total cash	\$ 669,005

6. Pension Plan

The organization does not have a retirement program for its employees and the employees are not members of the State of Louisiana Retirement System. Employees of the organization are members of the Social Security System.

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana
Notes to the Financial Statements
Page 3

In addition to the employees' contribution of 7.65%, the church contributes an equal amount to the Social Security System. The organization does not guarantee the benefits granted by the Social Security System.

7. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

8. Commitments and Contingencies

The church has no long-term commitments or contingencies at the end of fiscal year ended December 31, 2003.

B. FIXED ASSETS

Fixed assets used in the non-profit organization are accounted for in the General Fund and are stated at cost. Assets acquired by gift or bequests are recorded at their fair market value at the date of transfer, if applicable. A summary of changes in general fixed assets for the year ended December 31, 2003 are shown as follows:

	<u>2003</u>
Fixed Assets, beginning of year	\$ 950,125
Additions	
Deletions	
Fixed Assets at end of year	\$ 950,125

Accumulated depreciation totaled \$ 657,426 for the year ended 2003.

Bobby Gray

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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*

Pastor and Trustee Board
Zion Traveler Baptist Church
Ruston, Louisiana

I have audited the financial statements of Zion Traveler Baptist Church (a non-profit organization) as of and for the year ended December 31, 2003 and have issued my report thereon dated June 11, 2004. I have 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.

Compliance

As part of obtaining reasonable assurance about whether Zion Traveler Baptist Church'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 Zion Traveler Baptist Church'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. 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 internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Pastor and Trustee Board, management, and others within the Zion Traveler Baptist Church and its granting authority and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Bobby Gray

Grambling, Louisiana

June 11, 2004

SUPPLEMENTAL INFORMATION

ZION TRAVELER BAPTIST CHURCH
Ruston, Louisiana

SCHEDULE OF GRANT FUNDS
As of and for the Year Ended December 31, 2003

STATE GRANT FUNDS

The State Grant revenues are used to provide additional instructional time with a reduced teacher-student ratio to allow for individualized instruction in math, writing, and reading. Funding for the program is provided by the Louisiana Department of Education.

Schedule 2

**ZION TRAVELER BAPTIST CHURCH
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Unrestricted	Restricted	Total
	General Fund	Tutorial Program	All Funds
Personnel costs			
Salaries and fringe benefits	\$180,135	\$ -	\$180,135
Total personnel costs	180,135	-	180,135
Other expenses			
Building and grounds	67,258		67,258
Pastoral ministries	10,069		10,069
Christian education ministries	19,104		19,104
Tutorial ministry	-	14,265	14,265
General operating expenses	8,505	-	8,505
Support ministries	9,263		9,263
Benevolence ministries	9,589		9,589
Transportation ministries	8,680		8,680
Depreciation expense	40,235		40,235
Miscellaneous expenses	4,833		4,833
Total other expenses	177,536	14,265	191,801
Total Functional Expenses	\$357,671	\$14,265	\$371,936

See accompanying notes to the financial statements.

**ZION TRAVELER BAPTIST CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2003**

FINDINGS

FINDING NUMBER 03-01

Bank Reconciliations:

For the second consecutive year, the review of the cash accounts indicated that bank reconciliations for the various accounts were not reconciled on a timely basis, nor was there any indication that the reconciliations were reviewed by supervision. The reliability and accuracy of cash in the accounts is dependent upon the reconciliation process.

RECOMMENDATION

The church should ensure that reconciliation of all bank accounts is performed on at least a monthly basis and that adjusting entries are made to the general ledgers. Additionally, the preparation of the reconciliations should be reviewed for accuracy and that entries made to the general ledgers are reviewed and approved.

QUESTIONED COSTS

None

**ZION TRAVELER BAPTIST CHURCH
RUSTON, LOUISIANA**

Status of Prior Year Findings

FINDINGS

FINDING NUMBER 02-01

Bank Reconciliations:

In the review of the cash accounts, it was noted that bank reconciliations for the various accounts were not reconciled on a timely basis, nor was there any indication that the reconciliations were reviewed by supervision. The reliability and accuracy of cash in the accounts is dependent upon the reconciliation process.

RECOMMENDATION

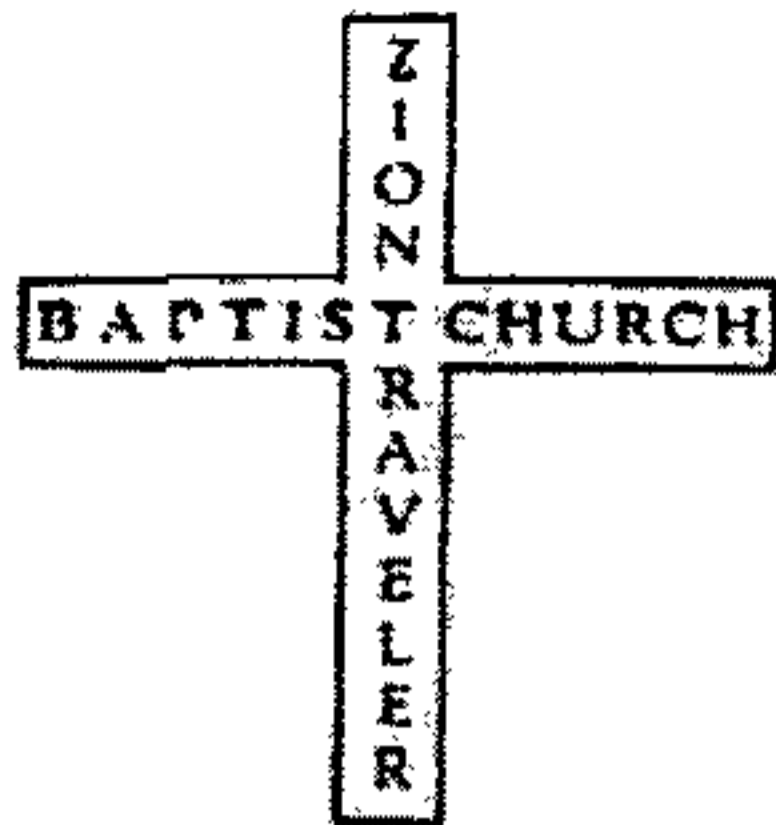
The church should ensure that reconciliation of all bank accounts is performed on at least a monthly basis and that adjusting entries are made to the general ledgers. Additionally, the preparation of the reconciliations should be reviewed for accuracy and that entries made to the general ledgers are reviewed and approved.

QUESTIONED COSTS

None

STATUS

Unresolved



P.O. Box 1735
Ruston, LA 71273

Clyde W. McCray, Pastor
Home Phone (318) 251-9011
Church Phone (318) 255-0552
Fax (318) 255-9586

Pamela M. Payne, Church Clerk

June 11, 2004

Bobby Gray
Certified Public Accountant
P.O. Box 1213
Grambling, LA. 71245

Dear Mr. Gray:

In response to the current year finding in your audit report concerning the timely preparation of bank reconciliations, Zion Traveler concurs with the finding and submits the following corrective action plan:

Plan of Action: Zion Traveler will ensure that reconciliations are performed on at least a monthly basis for those accounts that have monthly bank statements. For quarterly account statements, the reconciliation will be performed on that basis. Zion Traveler will require that the reconciliations and subsequent adjusting entries be properly made to the ledgers. A person other than the one who prepares them will review both the reconciliation and adjusting entries. The signature of the preparer and the signature of the reviewer will evidence this review.

Date of Implementation: Immediately.

Person Responsible: Deacon Wilbert Ellis

Sincerely,

Zion Traveler Baptist Church

"WHATSOEVER HE SAITH UNTO YOU, DO IT." JOHN 2:5

LOUISIANA COMPLIANCE QUESTIONNAIRE

June 11, 2004

Bobby Gray
Certified Public Accountant
Post Office Box 1213
2072 Martin Luther King Jr. Avenue
Grambling, LA. 71245

In connection with your audit of our financial statements for the period as of and for December 31, 2003 for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with generally accepted accounting principles, to assess our system of internal control as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of June 11, 2004.

PART I. AGENCY PROFILE

1. Name and address of the organization.

Zion Traveler Baptist Church
1201 Martin Luther King
Ruston, Louisiana 71270

2. List names, addresses, and telephone numbers of entity officials. (Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.)

See Attached Listing

3. Period of time covered by this questionnaire:

January 1, 2003 through December 31, 2003

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (LSA-RS) and, if applicable, local resolutions/ordinances.

Act 455 of 1948 (R.S. 12:101 – 12:155)

5. Briefly describe the public services provided:

Support for doctrines, beliefs, and works of a Baptist Church subject to applicable laws and regulations.

6. Expiration date of current elected/appointed officials' terms.

Until changed by the actions of the church or its trustees.

Part II. Federal, State, and Local Awards

7. We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

8. All transactions relating to federal grants have been properly recorded within our accounting records and reported to the appropriate federal grantor officials.

Yes No

Not applicable

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes No

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes No

Not applicable

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes No

Not applicable

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes No

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes No

Not applicable

14. We have complied with all applicable compliance requirements of all federal programs we administer, to include matters contained in the Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and matters contained in the grant awards.

Yes No

Not applicable

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes No

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes No

Not applicable

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes No

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by LSA-RS 44:33.

Yes No

Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No

Not applicable

21. For each grant received from the state, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose, duration, specific goals and objectives, and measures of performance.

Yes No

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No

Not applicable

The previous responses have been made to the best of our belief and knowledge.

Willard Guip Trustee Chairman 6-11-04 Date
Emma Hallum Treasurer 6-11-04 Date

**ZION TRAVELER BAPTIST CHURCH
TRUSTEE MINISTRY MEMBERS**

1. Beard, Patricia
215 S. Bernard St.
Ruston, Louisiana 71270
(318) 255-4452

2. Ellis, Wilbert-Trustee Chair
905 Second St.
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3. Hallums, Emma
618 Calcote Avenue
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4. Hill, Mildred
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5. Jerro, Gloria
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6. LeDay, Russell
114 Olive St
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7. Lofton, Effie
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8. McCray, Clyde-Pastor
3138 Hwy 818

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9. Payne, John
166 Wildflower Drive
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(318) 255-5863

10. Smith, Robert
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Ruston, Louisiana 71270
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