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LOUISIANA CENTER AGAINST POVERTY, INC.
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
FINANCIAL STATEMENTS
JUNE 30, 2004

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 2-9-05

Terry R. Hall, LLC
Certified Public Accountant

**LOUISIANA CENTER AGAINST POVERTY, INC.
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
FINANCIAL STATEMENTS**

JUNE 30, 2004

TABLE OF CONTENTS

Financial Statements

Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial statements	6 - 8

Supplemental Information

Report on Compliance and on Internal Control in Accordance with Government auditing Standards	10 - 11
Findings and Recommendations	12

Independent Auditor's Report

To the Board of Directors and Management of
Louisiana Center Against Poverty, Inc.
Lake Providence, Louisiana

I have audited the accompanying statement of financial position of Louisiana Center Against Poverty, Inc.'s (a nonprofit organization), Youth Services Grant, State of Louisiana, Governor's Office of Urban Affairs and Development, as of June 30, 2004, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on 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 the 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 Louisiana Center Against Poverty, Inc.'s Youth Services Grant, State of Louisiana, Governor's Office of Urban Affairs and Development as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 16, 2004, on my consideration of Louisiana Center Against Poverty, Inc.'s Youth Services Grant, State of Louisiana, Governor's Office of Urban Affairs and Development internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.


Terry R. Hall, LLC
Certified Public Accountant

December 16, 2004
Baton Rouge, Louisiana

**LOUISIANA CENTER AGAINST POVERTY, INC.
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2004**

Assets

Current assets:	
Cash	\$ -
Advances receivable	4,394
Total current assets	<u>4,394</u>
Office equipment, net of depreciation	2,700
Total Assets	<u><u>7,094</u></u>

Liabilities and Net Assets

Current liabilities:	
Cash overdraft	354
Loan payable	1,000
Accrued expenses	4,250
Accrued payroll	1,303
Payroll taxes payable	197
Total current liabilities	<u>7,104</u>
Net assets, unrestricted	(10)
Total Liabilities and Net Assets	<u><u>\$ 7,094</u></u>

The accompanying notes are an integral part of these financial statements

LOUISIANA CENTER AGAINST POVERTY, INC.
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Support and Revenue:

Contracts and grants, State of Louisiana, Governor's Office of Urban Affairs and Development	\$ 294,500
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Expenditures:

Program services:	
Counseling, instruction and tutoring	285,840
Support services:	
Management and general	23,453
Total expenditures	309,293

Changes in unrestricted net assets, increase (decrease)	(14,793)
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Net assets, unrestricted, beginning of year	14,783
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Net assets, unrestricted, end of year	\$ (10)
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The accompanying notes are an integral part of these financial statements

**LOUISIANA CENTER AGAINST POVERTY, INC.
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Program Services</u>		
	<u>Counseling Instruction Tutoring</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 41,994	\$ 16,785	\$ 58,779
Payroll taxes	4,273	1,681	5,954
Grant awards	73,000	0	73,000
Consultants fees and contract labor:			
Teacher and teacher assistants	71,190	-	71,190
Coordinators, facilitators, and monitors	31,880	-	31,880
After school food and snacks	13,821	-	13,821
Program materials and supplies	15,975	-	15,975
Maintenance and repairs	231	124	355
Office supplies and expenses	4,570	2,461	7,031
Printing	6,501	-	6,501
Rent expense , office space	3,098	1,668	4,766
Telephone	526	283	809
Travel and transportation expenses	17,898	451	18,349
Depreciation	883	-	883
	<u>\$ 285,840</u>	<u>\$ 23,453</u>	<u>\$ 309,293</u>

The accompanying notes are an integral part of these financial statements

LOUISIANA CENTER AGAINST POVERTY, INC.
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

Cash flows from operating activities

Net assets increase (decrease)	\$ (14,793)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	883
Decrease (Increase) in working capital assets:	
Receivables	15,596
Prepaid insurance	
(Decrease) Increase in working capital liabilities	
Accrued consultant fees	(11,250)
Accrued expenses	2,510
Payroll taxes payable	(748)
Accrued wages payable	(2,365)
Net cash provided (used) by operating activities	(10,167)

Cash flows from investing activities

-

Cash flows from investing activities

-

Net increase (decrease) in cash	(10,167)
Cash at beginning of year	9,813
Cash overdraft at end of year	\$ (354)

The accompanying notes are an integral part of these financial statements

**LOUISIANA CENTER AGAINST POVERTY, INC.
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Louisiana Center Against Poverty, Inc. is a nonprofit corporation, organized to implement comprehensive programs addressing economic, educational, and health, problems in the parishes of Concordia, East Carroll, Madison, Ouachita, and Tensas. The organization's primary focus is counseling, mentoring and tutoring youth, in the area, concerning alcohol and drug abuse prevention, clothing and feeding, healthcare planning and prevention, job creation and economic development, and introduction and exposure to new and existing technologies.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117 Financial statement of Not-for-Profit Organizations. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to its classification of net assets as unrestricted, temporarily restricted, and permanently restricted.

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.

Functional Allocation of Expenses

The costs of providing the various programs and other 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.

Support and Revenue

The organization is funded substantially through state contracts and grants on an annual basis. The organization recognizes revenue, from contracts and grants, on pro-rata basis as predetermined by the funding agencies. Contract and grant support are recognized as unrestricted since expenditure for purpose occurs during the contract and grant period.

Contributions

All Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and nature of any donor restrictions. The organization has not received any contributions with donor imposed restrictions that would result in temporarily or permanently restricted funds.

**LOUISIANA CENTER AGAINST POVERTY, INC.
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Contributed Services

The organization receives significant services donated by members from the various communities it serves in conducting its programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made.

Cash

Cash and cash equivalents consists of monies in bank, and highly liquid investments with maturity dates of less than three months. Carrying values approximates fair value because of short term maturities of financial instruments.

At no time during the year did the organization's bank balance exceed the federally insured limits.

Fixed Assets

The organization records, at cost, purchases of property and equipment in excess of \$500 as fixed assets. Donations of property and equipment are recorded at fair market value at the time of donation. Depreciation is calculated on the straight line method over the useful lives of its respective assets.

Computer equipment	5 years
Office equipment	5 years

Income Taxes

The organization is a non-profit corporation, exempt under section 501(c)(3) of the internal revenue code and did not conduct unrelated business activities. Therefore, no provision for corporate income taxes have been included in the financial statements.

NOTE 2 - CONTRACT / GRANT AWARDS

Louisiana Center Against Poverty, Inc. was awarded a Youth Services grant for \$294,500 from the State of Louisiana, Governor's Office of Urban Affairs & Development, for its fiscal year ended June 30, 2004.

Included in the grant were funds for grant awards to other local government and non-profit organizations. Grant funds were disbursed to Novice House, \$60,000, East Carroll Sheriff Office, \$10,000, and Family Life Enhancement, \$3,000.

The organization was awarded a grant for approximately \$200,000, for its fiscal year ending June 30, 2005, from State of Louisiana, Governor's Office of Urban Affairs & Development.

**LOUISIANA CENTER AGAINST POVERTY, INC.
NOTES TO FINANCIAL STATEMENTS
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
FOR THE YEAR ENDED JUNE 30, 2004**

NOTE 3 - FIXED ASSETS

As of June 30, 2004, fixed assets consist of:

Computer equipment	\$ 2,335
Office equipment	<u>2,081</u>
	4,416
Less accumulated depreciation	<u>(1,716)</u>
Net total	<u>\$ 2,700</u>

NOTE 4 - RELATED PARTY TRANSACTIONS

Louisiana Center Against Poverty, Inc. and Northeast Economic Development District, Inc. have members that are common to their board of directors and management.

Louisiana Center Against Poverty, Inc's Executive Director advances the organization funds through out the year, interest free, to supplement its cash flow. At June 30, 2004 the organization has an outstanding balance of \$1,000 owed to the Executive Director.

SUPPLEMENTAL INFORMATION

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 and Management of
Louisiana Center Against Poverty, Inc.
Lake Providence, Louisiana

I have audited the financial statements of Louisiana Center Against Poverty, Inc.'s (a nonprofit organization) Youth Services Grant, State of Louisiana, Governor's Office of Urban Affairs and Development as of and for the year ended June 30, 2004, and have issued my report thereon dated December 16, 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

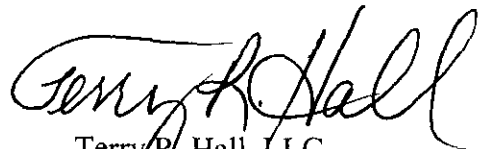
As part of obtaining reasonable assurance about whether Louisiana Center Against Poverty Inc.'s Youth Services Grant, State of Louisiana, Governor's Office of Urban Affairs and Development financial statements are free of material misstatement, I performed tests of its compliance with certain provisions 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 our audit, and accordingly, I do not express such an opinion. The results of our tests disclosed no instance 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 Louisiana Center Against Poverty, Inc.'s Youth Services Grant, State of Louisiana, Governor's Office of Urban Affairs and Development internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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.

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



Terry R. Hall, LLC
Certified Public Accountant

Baton Rouge, Louisiana
December 16, 2004

**LOUISIANA CENTER AGAINST POVERTY, INC.
YOUTH SERVICES GRANT, STATE OF LOUISIANA,
GOVERNOR'S OFFICE OF URBAN AFFAIRS AND DEVELOPMENT
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2004**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Louisiana Center Against Poverty, Inc.'s Youth Services Grant, State of Louisiana, Governor's office of Urban affairs and Development
2. Reportable conditions disclosed during the audit of the financial statements are reported in the Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of financial Statements Performed In Accordance With Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Louisiana Center Against Poverty, Inc. were disclosed during the audit.
4. Louisiana Center Against Poverty, Inc. was determined to be a low-risk auditee.

CURRENT YEAR COMMENTS

1. There were no new comments