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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 ~~8-8-96~~ 8-14-96

## CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors  
Welfare Rights Organization, Inc (WRO)  
New Orleans, La.

I have audited the accompanying balance sheet of Welfare Rights Organization, Inc (a nonprofit organization) as of August 31, 1995, and the related statements of revenues, expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Non-Profit Organizations." Those standards and OMB Circular A-133 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 amount and disclosures in the financial statement. An audit includes examining on a test basis evidence of supporting the amounts and disclosures in the basic 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 Welfare Rights Organization, Inc as of August 31, 1995 and the results of their operations of the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements of Welfare Rights Organization, Inc taken as a whole. The accompanying schedule of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

  
Charles F. Webb, CPA

New Orleans, LA 70113  
March 1, 1996

WELFARE RIGHTS ORGANIZATION  
Balance Sheet

August 31, 1995

Assets

CURRENT ASSETS

Cash	\$	926
Accounts receivable		0
Prepaid expenses		<u>0</u>

TOTAL CURRENT ASSETS 926

PROPERTY AND EQUIPMENT

0

TOTAL ASSETS \$ 926

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts payable	\$	585
Accrued liabilities		0
Income taxes payable		<u>0</u>

TOTAL CURRENT LIABILITIES 585

FUND BALANCE

Restricted		<u>341</u>
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TOTAL LIABILITIES AND FUND BALANCE \$ 926

The accompanying notes are an integral part of the financial statement

WELFARE RIGHTS ORGANIZATION  
Statement of Revenue and Expenditures

September 1, 1994 to August 31, 1995

Support

State of Louisiana Department of Social Services  
TOTAL SUPPORT

\$ 82,252

EXPENDITURES

Office supplies	1,291
Materials & supplies	3,021
Salaries and Fringes	58,189
Professional Services	2,500
Rent	7,100
Telephone	1,206
Contractual	4,201
Utilites	1,820
Community Forum	574
Audit	995
Printing	806
Other	752
	<hr/>
TOTAL EXPENDITURES	82,455
EXCESS OF SUPPORT OVER EXPENDITURE	(203)
BEGINNING FUND BALANCE	544
FUND BALANCE AUGUST 31, 1995	\$ <u>341</u>

The Accompanying notes are an integral part of the  
financial statements

**Welfare Rights Organization, Inc**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

Welfare Rights Organization, Inc is a Non-Profit Organization established to provide job readiness information, education, alternative activities in the community to Project Independence recipients. The agency is a nonprofit organization under the Internal Revenue Code section 501 (C) 3. The agency received a grant awarded to help it in this fight to eliminate poverty. The major funding source was from the Department of Social Services which provides one hundred percent of the funding. All of these funding sources are restricted in the types of expenditures that are allowable.

The accounting and reporting policies of the Welfare Rights Organization, Inc. conform to generally accepted accounting principles and to the requirements of the grantor agency.

Purchases of non-consumable supplies and equipment are recorded as expenditures in the grant period when purchased. Should grant funding cease, such equipment could be returned to the grantor. Because of these expenditures, a perpetual record is maintained on those assets acquired.

Grant revenues are recognized as follows:

For entitlement grants in which unexpended funds are subject to future reprogramming, the entire amount of the grant award is recognized over the life of the grant. In cases where such grants span the Agency's fiscal year end, revenues are recognized in an amount equal to expenditures in the initial portion of the grant, and any excess is recognized in the period in which the grant terminates.

In cases of cost reimbursement grants where unexpended funds revert to the grantor at the conclusion of the grant period, grant revenues are recognized in an amount equal to expenditures, up to the maximum amount of the grant awarded.

In the case of unrestricted grants, the entire amount of the grant award is recognized as revenue upon receipt.

Valuation of in-kind contributions is made at current market rates for services or supplies at not more than the federal minimum wage when applicable.

Welfare Rights Organization, Inc  
NOTES TO FINANCIAL STATEMENTS

NOTE 2: LEASES

The Welfare Rights Organization, Inc. leases a building on a one-year, renewable basis. The building is used primarily for the Center's activities

NOTE 3: BOARD MEMBERS/POLICY COUNCIL PER DIEM

Board Members of the Welfare Rights Organization, Inc. have not received per diem during this audit period.

NOTE 4: COMPENSATED ABSENCES

It has been the policy of WRO Inc. to recognize compensated absences when paid. This policy agrees to many of the funding agreements with various programs. These programs only recognize cost of that year.

NOTE 5: RETIREMENT PLAN

WRO did not have a retirement plan as of August 31 1995.

WELFARE RIGHTS ORGANIZATION INC.  
 SCHEDULE OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 1995

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS- THROUGH NUMBER	REVENUE	EXPENDITURES
U.S. DEPT OF HEALTH AND HUMAN SERVICES				
PASS-THROUGH FROM STATE DEPT. OF SOCIAL SERVICES	93.561		\$ 82,252	82,454
TOTAL PASS THROUGH FEDERAL FINANCIAL ASSISTANCE			<u>\$ 82,252</u>	<u>82,454</u>

The accompanying notes are an integral part of these financial statements

# CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Welfare Rights Organization, Inc  
New Orleans, La.

I have audited the financial statements of Welfare Rights Organization, Inc (a nonprofit organization) for the year ended August 31, 1995 , and have issued my report thereon dated March 1, 1996.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of Welfare Rights Organization, Inc for the year ended August 31, 1995 , I considered its internal control structure 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 structure.

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

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

- . Cash
- . Support, receivables and receipts
- . Expenses for program and supporting services and accounts payable
- . Payroll and related liabilities
- . Other liabilities
- . Fund balances
- . Governmental awards programs

#### General Requirements

- . Political Activity
- . Civil Rights
- . Cash Management
- . Federal financial reports
- . Administrative requirements
- . Allowable Costs and Cost Principles

#### Specific Requirements

- . Types of services allowed or not allowed
- . Eligibility
- . Reporting
- . Claims for Advances and Reimbursements.
- . Special Requirements

For all of the control categories listed above I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

I noted a certain matter involving the internal control structure that I consider to be reportable conditions under the standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure, that in my judgement, could adversely effect the organizations ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The Welfare Rights Organization did not maintain adequate personnel manual information for the employees. This deficiency could create problems in employee relations.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be

detected within a timely period by employees in the normal course of their assigned functions. I noted no matters involving the internal control and its operations that I consider to be material weaknesses as defined above.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

This report is intended for the information of the Board of Directors, management, and the State of Louisiana. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Board of Directors is a matter of public record.



Charles F. Webb, CPA  
New Orleans, LA 70113  
March 1, 1996

# CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS  
(ACCOUNTING AND ADMINISTRATIVE) - BASED ON A STUDY  
AND EVALUATION MADE AS PART OF AN AUDIT  
OF THE FINANCIAL STATEMENTS AND THE  
ADDITIONAL TESTS REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors  
Welfare Rights Organization, Inc

I have audited the financial statements of the Welfare Rights Organization, Inc (a nonprofit organization) for the year ended August 31, 1995 and have issued my report thereon dated March 1, 1996. I conducted my audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Non-Profit Organization". Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement and about whether the Welfare Rights Organization complied with laws and regulations of non-compliance with would be material to a major federal financial program.

In planning and performing my audit for the year ended August 31, 1995, I considered the agencies internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and on its compliance with requirements applicable to major programs and not to provide its assurance on the internal control structure. This report addresses my consideration of internal control policies and procedures relevant to compliance with requirements applicable to federal awards programs.

The management of Welfare Rights Organization, Inc is responsible for establishing and maintaining an internal control structure used in administering federal awards programs. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure used in administering federal awards programs are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against waste or disposition that transactions are executed in accordance with managements authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal awards programs are managed in the

risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure and policies and procedures used in administering federal awards programs in the following categories:

- . Cash
- . Support, receivables and receipts
- . Expenses for program and supporting services and accounts payable
- . Payroll and related liabilities
- . Other liabilities
- . Fund balances
- . Governmental awards programs

#### General Requirements

- . Political Activity
- . Civil Rights
- . Cash Management
- . Federal financial reports
- . Administrative requirements
- . Allowable Costs and Cost Principles

#### Specific Requirements

- . Types of services allowed or not allowed
- . Eligibility
- . Reporting
- . Claims for Advances and Reimbursements.
- . Special Requirements

For all the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risks.

During the year ended August 31, 1995 , the Welfare Rights Organization had no major programs and expended 100% of its award under the nonmajor program from the Department of Social Services.

I performed tests of controls as required by OMB-Circular A-133 to evaluate the effectiveness of the design and operation of the internal control structure and policies and procedures that I considered relevant to preventing or detecting noncompliance with specific and general requirements and requirements governing claims for reimbursement and amounts claimed for matching that are applicable to the agencies federal awards programs that are in the accompanying schedule of federal awards. My procedures were less in scope than would be necessary to render an opinion

on these internal control structure and policies. Accordingly I do not express such an opinion.

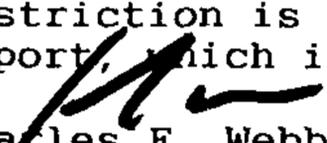
I noted a certain matter involving the internal control structure that I consider to be a reportable condition under those standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure, that in my judgement, could adversely effect the organizations ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The Welfare Rights Organization did not maintain adequate personnel manual information for the employees. This deficiency could create problems in employee relations.

A material weakness is a reportable conditions in which the design or operation of the specific internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal cause of their assigned functions. I noted no matters involving the internal control and its operations that I consider to be material weaknesses as defined above.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

This report is intended for the information of the Board of Directors, management, and the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Charles F. Webb, CPA  
New Orleans, LA 70113  
March 1, 1996

**CHARLES F. WEBB**

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Welfare Rights Organization, Inc  
New Orleans, LA

I have audited the financial statements of Welfare Rights Organization, Inc (a non-profit organization) for the year ended August 31, 1995 and have issued my report thereon dated March 1, 1996.

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

Compliance with laws, regulations, contracts, and grants applicable to Welfare Rights Organization, Inc. is the responsibility of Welfare Rights Organization, Inc management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Welfare Rights Organization, Inc's compliance with certain provisions of laws, regulations, contracts and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

The results of my tests indicate that, with respect to the items tested, Welfare Rights Organization, Inc complied, in all material respects, with the provisions referred to in the preceding paragraph, except for a matter discussed in the next paragraph. With respect to items not tested, nothing came to my attention that caused us to believe that Welfare Rights Organization, Inc had not complied, in all material respects, with those provisions.

I noted the agency was not timely in the submission of it's annual audit within the six month period of the fiscal year end which is a violation of R.S. 24 513.

This report is intended for the information of the Board of Directors, management and the State of Louisiana. This restriction is not intended to limit the distribution of this

report, which is a matter of public record.



Charles F. Webb, CPA  
New Orleans, LA 70113  
March 1, 1996

**CHARLES F. WEBB**

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
NON-MAJOR FEDERAL AWARDS PROGRAMS

To the Board of Directors  
Welfare Rights Organization, Inc  
New Orleans, La.

I have audited the financial statements of Welfare Rights Organization, Inc (a non profit organization) as of August 31, 1995 and for the year ended August 31, 1995 , and have issued my report dated March 1, 1996.

In connection with my audit of the financial statements of the Welfare Rights Organization, Inc (a non-profit organization) and with my study and evaluation of the Agency's internal control systems used to administer federal awards program, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Non-Profit Organizations," I selected certain transactions applicable to certain non-major federal awards programs for the year ended August 31, 1995 . As required by circular A-133, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, reporting, claims for advancement and special requirements that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Agency's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Welfare Rights Organization, Inc had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Directors, management, and other funding sources. This restriction is not intended to limit the distribution of this report which is a matter of public record.

  
Charles F. Webb, CPA  
New Orleans, LA 70113  
March 1, 1996

# CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL AWARDS PROGRAMS

To the Board of Directors  
Welfare Rights Organization, Inc  
New Orleans La.

I have audited the financial statements of Welfare Rights Organization, Inc (a non profit organization) as of August 31, 1995 and for the year ended August 31, 1995 , and have issued my report dated March 1, 1996.

I have applied procedures to test Welfare Rights Organization, Inc's compliance with the following requirements applicable to its federal awards programs, which is identified in the accompanying schedule of federal awards, for the year ended August 31, 1995 .

- . Political Activity
- . Civil rights
- . Cash management
- . Federal financial reports
- . Allowable Costs and Costs Principles
- . Administrative Requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Government."

My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Welfare Rights Organization, Inc's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that Welfare Rights Organization, Inc had not complied, in all material respect, with those requirements.

This report is intended for the information of the Board of Directors, management and the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

  
Charles F. Webb, CPA

New Orleans, LA 70113  
March 1, 1996