

**Monroe Sheltered Workshop, Inc., dba Taskforce
Monroe, Louisiana**

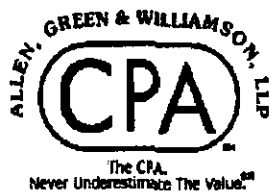
**Annual Financial Report
As of and for the Year Ended December 31, 2003**

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 11-17-04

**Monroe Sheltered Workshop, Inc., dba Taskforce
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ACCOUNTANTS' COMPILATION REPORT

The Board of Directors
Monroe Sheltered Workshop, Inc., dba Taskforce
Monroe, Louisiana

We have compiled the financial statements of Monroe Sheltered Workshop, Inc., dba Taskforce, as of and for the year ended December 31, 2003, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provision of state law, we have issued a report dated November 12, 2004, on the results of our agreed-upon procedures.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 12, 2004

MONROE SHELTERED WORKSHOP, INC.
dba TASKFORCE

STATEMENT OF FINANCIAL POSITION
December 31, 2003

ASSETS

	<u>Unrestricted</u>
Current Assets	
Cash	\$ 6,454
Accounts receivable	20,285
Inventory	<u>12,170</u>
Total Current Assets	38,909
Fixed Assets, net	<u>12,203</u>
TOTAL ASSETS	<u>51,112</u>
 LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable and accrued expenses	38,504
Current maturities of debt	<u>13,078</u>
Total Current Liabilities	51,582
Long-Term Debt	<u>14,777</u>
TOTAL LIABILITIES	66,359
Net Assets	
Unrestricted	<u>(15,247)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 51,112</u>

See accountants' compilation report.
The accompanying notes are an integral part of the financial statements.

**MONROE SHELTERED WORKSHOP, INC.
dba TASKFORCE**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003**

	<u>Unrestricted</u>
PUBLIC SUPPORT AND REVENUE	
Sales	\$ 138,007
Cost of sales	<u>30,956</u>
Gross profit	107,051
Concession sales	34
Grants	122,819
Donations and fund drives	<u>3,486</u>
Total Public Support and Revenue	<u>233,390</u>
EXPENSES	
Vocational adjustment services	203,608
Administrative and management	<u>43,542</u>
Total cost of operations before depreciation	<u>247,150</u>
Change in net assets before depreciation	(13,760)
Depreciation	<u>10,577</u>
Change in net assets	(24,337)
Net Assets, Beginning of Year	<u>9,090</u>
Net Assets, End of Year	<u>\$ (15,247)</u>

See accountants' compilation report.
The accompanying notes are an integral part of the financial statements.

MONROE SHELTERED WORKSHOP, INC.
dba TASKFORCE

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2003

	<u>Unrestricted</u>
Cash Flow From Operating Activities	
Change in Net Assets	\$ (24,337)
Adjustments to reconcile net decrease in net assets to net cash used in operations:	
Depreciation	10,577
(Increase) Decrease in:	
Accounts receivable	(7,371)
Inventory	(499)
Increase (Decrease) in:	
Accounts payable and accrued expenses	<u>27,314</u>
Net cash provided (used) by operating activities	5,684
Cash Flow From Investing Activities	
Purchase of equipment	(7,800)
Cash Flow From Financing Activities	
Net proceeds from note payable and line of credit	<u>8,846</u>
Net Increase (Decrease) in Cash	6,730
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>(276)</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,454</u>
Interest paid during the year	\$ 1,337
Income tax paid during the year	\$ 0

See accountants' compilation report.
The accompanying notes are an integral part of the financial statements.

Monroe Sheltered Workshop, Inc., dba Taskforce

**Notes to the Financial Statements
December 31, 2003**

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Monroe Sheltered Workshop, Inc., dba Taskforce

**Notes to the Financial Statements
December 31, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Purpose The Taskforce was organized without capital stock under Louisiana law on November 14, 1979, as a non-profit corporation to maintain and operate a sheltered workshop for employment and vocational adjustment services, in a sheltered setting, for those individuals who, because of their disability, are unemployable in the competitive labor market. The Taskforce sells products such as stakes and pallets to local area vendors.

Income Taxes The Corporation is qualified as an organization exempt from federal income taxes, pursuant to paragraph 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes is necessary.

Cash and Cash Equivalents For purposes of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Inventory Inventory consists of stakes, lumber and pallets. All inventory items are valued at cost (first-in, first-out).

Fixed Assets Fixed assets are capitalized at the time they are purchased or constructed. Public domain or infrastructures are capitalized (construction period interest is capitalized). All fixed assets costing more than \$50 are capitalized. An asset may be capitalized if its cost is less than \$50 if it is considered to have a long useful life.

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

All donor - restricted contributions are reported as an increase in temporarily or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contract Receivables Products sold under contract are billed when complete. Payment is due within ten days of receipt of invoice. Accounts considered uncollectible are written off within one year.

NOTE 2 - DEPOSITS AND INVESTMENTS At December 31, 2003, the Taskforce had cash and cash equivalents (book balances) as follows:

Demand deposit	<u>\$6,454</u>
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Monroe Sheltered Workshop, Inc., dba Taskforce

Notes to the Financial Statements

December 31, 2003

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the Taskforce's carrying amount of deposits was \$6,454 and the bank balance was \$8,756. The bank balance was covered by federal depository insurance.

NOTE 3 - ACCOUNTS RECEIVABLE At year end, the Taskforce's accounts receivable consisted of the following:

Contracts	\$ 4,664
Customers	<u>15,621</u>
Total	<u>\$ 20,285</u>

The Taskforce expects to collect accounts receivable in full, therefore, no allowance for doubtful accounts is recorded.

NOTE 4 - PAYABLES At year end, the Taskforce's payables consisted of the following:

Vendor	\$ 34,457
Payroll Taxes	<u>4,047</u>
Total	<u>\$ 38,504</u>

NOTE 5 - FIXED ASSETS Property and equipment are recorded at historical cost. Depreciation is calculated using the straight-line method over estimated useful lives ranging from five to 15 years. Depreciation expense for the year ended December 31, 2003, was \$10,577. Details of the lives, cost, accumulated depreciation, and net book value are as follows:

	Estimated Useful Lives	Cost	Accumulated Depreciation	Net Book Value
Building improvements	15	\$ 2,945	\$ 2,055	\$ 900
Furniture and equipment	5 to 7	81,076	73,583	7,493
Vehicles	5	<u>28,195</u>	<u>24,375</u>	<u>3,820</u>
Total Fixed Assets		<u>\$112,216</u>	<u>\$100,013</u>	<u>\$12,203</u>

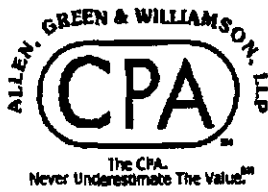
NOTE 6 - LINE OF CREDIT As of December 31, 2003, the Taskforce has a \$25,000 unsecured line of credit with Hibernia National Bank to be drawn upon as needed, with an interest rate of 6.75%. As of December 31, 2003, \$21,977 was due on the line of credit.

Monroe Sheltered Workshop, Inc., dba Taskforce

**Notes to the Financial Statements
December 31, 2003**

NOTE 7 – NOTE PAYABLE As of December 31, 2003, the Taskforce has a loan with Community Trust Bank with a principal balance of \$5,878. This loan had an interest rate of 6.5% and was secured by a van. The loan was paid off on January 29, 2004.

NOTE 8 - OPERATING LEASE The Taskforce leases its building under a lease which will expire in 2009. The monthly rental for 2003 was \$159. Rental expense for the year was \$1,910.



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Monroe Sheltered Workshop, Inc. dba Taskforce
Monroe, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Monroe Sheltered Workshop, Inc. dba Taskforce, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Taskforce's compliance with certain laws and regulations during the year ended December 31, 2003, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Ouachita Council of Governments 2003	\$ 6,325
Community Development Block Grant 2003	16,242
J. P. Morgan Chase Foundation 2003	1,500
Vocational Habilitative 2003	50,310
Medicare Waivers 2003	48,442

2. For each federal, state, and local award:

Randomly select six disbursements from each award administered during the period under examination, provided that no more than thirty disbursements in total will be selected.

Thirty disbursements were selected.

- Trace the disbursements to supporting documentation as to proper amount and payee.

Supporting documentation was examined for each selected disbursement. Payment appeared to be made to the correct payee. Supporting documentation could not be located for nine of the disbursements tested.

- Determine if the disbursements were properly coded to the correct fund and general ledger account.

Disbursements were coded to correct general ledger account.

- Determine whether the disbursements received approval from proper authorities.

Approval for payment was not documented on fourteen of the disbursements tested. (includes the eight for which supporting documentation could not be located)

- For federal awards, determine whether the disbursements comply with the applicable specific program compliance requirements summarized in the Compliance Supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to:
 - Activities allowed or unallowed
 - Eligibility
 - Reporting

No findings noted in this test.

3. For the programs selected for testing in item 2. that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no programs closed out during the period under review.

Meetings

4. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-R.S. 42:1 through 42:12 (the open meetings law).

Meeting agendas were not posted at the meeting place nor published in the newspaper.

Comprehensive Budget

5. For all grants exceeding \$5,000, determine that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

The only grant exceeding \$5,000 that requires a budget is OCOG. No budget was provided. The other grants exceeding \$5,000 do not require budgets. They are based on the number of clients served.

Prior Comments and Recommendations

6. Our engagement will include a review of any prior-year suggestions, recommendations, and/or comments and will indicate the extent to which such matters have been resolved.

See Status of Prior Management Letter Items.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Board, management, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of

the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 12, 2004

LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

Allen, Green, & Williamson, LLP
Certified Public Accountants
P.O. Box 6075
Monroe, LA 71211-6075

In connection with your audit of our financial statements as of December 31, 2003 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

Federal, State, and Local Awards

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

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

Yes No

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

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

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

Budget

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

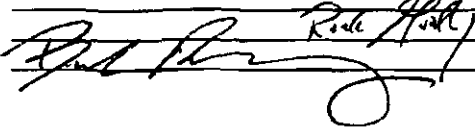
Yes No

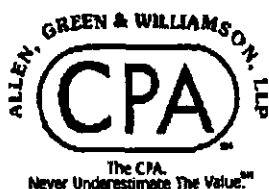
Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

We have provided you with any communications from regulatory agencies and other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
 <i>Rick Hill</i>	President	<i>11/15/04</i>	Date
_____	Ex. Director	<i>11-15-04</i>	Date



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Management Letter

To the Board of Directors
Monroe Sheltered Workshop, Inc., dba Taskforce
Monroe, Louisiana

During the course of our compilation of the financial statements of the Monroe Sheltered Workshop, Inc., dba Taskforce as of and for the year ended December 31, 2003, we observed conditions and circumstance that may be improved. Our comments and recommendations, which has been discussed with management, are intended to improve internal control or result in other operating efficiencies.

03-M1 Open Meetings Law

Comment: During the course of our compilation we became aware that the monthly meetings were not being publicly posted as required by LSA-R.S. 42:1 through 42:12.

Recommendation: The Taskforce should post notices of scheduled meetings.

Management's Response: The Taskforce has begun posting the meeting dates and times on the front desk throughout the month and are looking into posting it in the local papers.

03-M2 Vendor Disbursements

Comment: Supporting documentation other than the check copies was not located for nine of the thirty disbursements. Approval for payment was not documented on six of the remaining disbursements tested.

Recommendation: The Taskforce should ensure that approval for payment is documented on all disbursements and that supporting documentation is maintained for all disbursements.

Management's Response: All checks now have to have two signatures by persons not writing the checks that are responsible for this duty. All checks have stubs that are detached and stapled to the invoice.

03-M3 Budgets

Comment: A comprehensive budget was not provided to OCOG, an agency that provides a grant exceeding \$5,000.00

Recommendation: The Taskforce should ensure that a budget is provided to each grantor agency from which grants in excess of \$5,000.00 are received.

Management's Response: All grants will be provided with a detailed budget of how money will be spent.

03-M4 Filing Annual Financial Report with Legislative Auditor

Comment: The Annual Financial Report was not filed timely with the Legislative Auditor.

Recommendation: The Taskforce should ensure that the Annual Financial Report is filed within six months of the end of the year with the Legislative Auditor.

Management's Response: A CPA firm has been hired to keep books up to date and assure that all legal and accounting procedures are done in a timely manner. This will ensure that all accounting is done correctly and timely.

* * * * *

This information has not been audited by Allen, Green & Williamson, LLP and no opinion is expressed.

Our compilation procedures are designed primarily to enable us to present in the form of financial statements information that is the representation of management and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the Board, management, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 12, 2004

Monroe Sheltered Workshop, Inc., dba Taskforce

**Status of Prior Management Letter Items
December 31, 2003**

Reference # and Title: **02-M1** **Open Meetings Law**

Initially occurred: December 31, 2002

Condition: The Taskforce does not post monthly meetings as required by LSA-R.S. 42:1 through 42:12.

No Corrective Action Taken: See current year 03-M1.

Reference # and Title: **02-M2** **Vendor Disbursements**

Initially occurred: December 31, 2002

Condition: All disbursements are not properly approved before payment and not all supporting documentation agrees to disbursement amounts.

No Corrective Action Taken: See current year 03-M2.

Reference # and Title: **02-M3** **Capital Asset Records**

Initially occurred: December 31, 2002

Condition: Louisiana Revised Statute 24:515(B) requires auditees to maintain records of capital assets including asset description costs, acquisition date, useful life, and location in building. To safeguard capital assets a listing should be maintained on a continuous basis. The Taskforce does not maintain a listing.

Corrective Action Taken: The Taskforce began tagging equipment and maintaining a capital asset listing.