
COMMUNITY OPPORTUNITIES OF EAST ASCENSION

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2004 AND 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 11-24-04



Postlethwaite & Netterville

A Professional Accounting Corporation

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Opportunities of East Ascension
Gonzales, Louisiana

We have audited the accompanying statements of financial position of Community Opportunities of East Ascension (a not for profit organization) as of June 30, 2004 and 2003 the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Opportunities of East Ascension as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2004 on our consideration of Community Opportunities of East Ascension's internal control over financial reporting and our 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 our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of Community Opportunities of East Ascension taken as a whole. The Schedules of Functional Expenses on page 7 is presented for purposes of additional analysis and are 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Postlethwaite & Netterville

September 17, 2004

COMMUNITY OPPORTUNITIES OF EAST ASCENSION
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2004 AND 2003

	2004	2003
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 882,487	\$ 570,095
Certificates of deposit	400,905	190,835
Accounts receivable	389,255	269,979
Prepaid expenses	5,158	4,555
Land, buildings, and equipment	493,175	462,499
TOTAL ASSETS	\$ 2,170,980	\$ 1,497,963
<u>LIABILITIES AND NET ASSETS:</u>		
Accounts payable	\$ 19,859	\$ 8,397
Accrued liabilities	110,556	93,315
TOTAL LIABILITIES	130,415	101,712
<u>NET ASSETS:</u>		
Unrestricted	2,040,565	1,396,251
TOTAL LIABILITIES AND NET ASSETS	\$ 2,170,980	\$ 1,497,963

The accompanying notes are an integral part of these statements.

COMMUNITY OPPORTUNITIES OF EAST ASCENSION
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>REVENUES AND OTHER SUPPORT:</u>		
Public Support:		
Allocated by Capital Area United Way	\$ 31,267	\$ 31,658
Contributions from Government Agencies	2,821,754	2,167,618
Other Revenue:		
Membership dues - individual	1,423	675
Sales to public	124,257	52,577
Interest and dividend income	3,982	6,311
Grant income	1,000	-
Miscellaneous revenue	24,952	31,372
Total revenues and other support	<u>3,008,635</u>	<u>2,290,211</u>
 <u>EXPENSES:</u>		
Program Services:		
Adult day training	505,665	480,540
Adult and child support for independent living	1,823,631	1,601,922
Support Services:		
Management and general	<u>35,025</u>	<u>38,438</u>
Total expenses	<u>2,364,321</u>	<u>2,120,900</u>
 Change in net assets	 644,314	 169,311
Net assets at beginning of year	<u>1,396,251</u>	<u>1,226,940</u>
Net assets at end of year	<u>\$ 2,040,565</u>	<u>\$ 1,396,251</u>

The accompanying notes are an integral part of these statements.



COMMUNITY OPPORTUNITIES OF EAST ASCENSION
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2004 AND 2003

	2004	2003
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 644,314	\$ 169,311
Adjustments to reconcile change in net cash provided by operating activities:		
Depreciation	35,013	39,853
(Increase) in accounts receivable	(119,276)	(60,817)
(Increase) Decrease in prepaid expenses	(603)	5,007
Increase (Decrease) in accounts payable	11,462	(8,621)
Increase in accrued liabilities	17,241	13,034
Net cash provided by operating activities	588,151	157,767
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Net (increase) decrease in certificates of deposit	(210,070)	51,689
Purchases of property and equipment	(65,689)	(162,880)
Net cash (used for) investing activities	(275,759)	(111,191)
Net increase in cash and cash equivalents	312,392	46,576
Cash and cash equivalents at beginning of year	570,095	523,519
Cash and cash equivalents at end of year	\$ 882,487	\$ 570,095

The accompanying notes are an integral part of these statements.

COMMUNITY OPPORTUNITIES OF EAST ASCENSION
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**

- A. The Organization is a non-profit organization formed to furnish education and recreation to the mentally retarded and handicapped persons of East Ascension and other surrounding areas. The Organization is solely dependent upon appropriation from State agencies and other contributions. Additional revenue is generated from services performed by clients for local businesses.
- B. Buildings and equipment are recorded at cost and are being depreciated using the straight-line methods over their estimated useful lives as follows:
- | | |
|--------------------------|---------------|
| Buildings | 10 - 40 years |
| Transportation equipment | 3 - 5 years |
| Other equipment | 5 - 10 years |
- C. Management has determined that all accounts receivable are collectible. Therefore, no reserve for uncollectible accounts has been established.
- D. The majority of the Organization's revenue is derived from third-party reimbursement arrangements. These revenues and the allowability of the related expenditures are subject to audits by the granting agencies.
- E. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of 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.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

COMMUNITY OPPORTUNITIES OF EAST ASCENSION
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

- F. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- G. The Organization considers all cash accounts and certificates of deposit with a maturity of three months or less when purchased to be cash and cash equivalents.
- H. The Organization is exempt from the income taxes under section 501 (c) (3) of the Internal Revenue Code and is not considered a private foundation.
- I. Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with presentation in the current year financial statement.

2. **Cash and Certificates of Deposit**

At June 30, 2004 and 2003, the carrying amount of the Organization's deposits were \$1,283,392 and \$760,930. Of the total deposits, \$ 335,904 was covered by federal depository insurance.

3. **Lease Agreement**

The land that the Organization's building is located on is leased from a governmental unit. The lease period is ninety-nine (99) years commencing on March 1, 1982 and ending on February 28, 2081. The yearly lease for the property is one dollar (\$1.00) per year.

4. **Buildings and Equipment**

Buildings and equipment at June 30, 2004 and 2003 consist of the following:

	<u>2004</u>	<u>2003</u>
Buildings	\$ 418,825	\$ 418,825
Vehicles	230,643	200,147
Furniture and equipment	133,766	127,673
Land	156,315	147,187
Respite building	17,500	7,000
	<u>957,049</u>	<u>900,832</u>
Less: Accumulated depreciation	<u>(463,874)</u>	<u>(438,333)</u>
	<u>\$ 493,175</u>	<u>\$ 462,499</u>

5. **Retirement Plan**

The Organization adopted a 401(K) profit sharing plan effective May 1, 2000. The plan covers substantially all full time employees. The Organization has the discretionary right to determine the amount of any employer matching contribution made for a plan year. The Organization's contributions for the years ended June 30, 2004 and 2003 were \$6,778 and \$7,449, respectively.



SUPPLEMENTARY INFORMATION





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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Community Opportunities of East Ascension
Gonzales, Louisiana

We have audited the financial statements of Community Opportunities of East Ascension (a nonprofit organization) as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated September 17, 2004. We conducted our audits 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 Community Opportunities of East Ascension's financial statements are free of material misstatement, we 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 audits and, accordingly, we do not express such an opinion. The results of our 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 our audits, we considered Community Opportunities of East Ascension's internal control over financial reporting in order to determine our 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. 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of directors, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Netterville

September 17, 2004

COMMUNITY OPPORTUNITIES OF EAST ASCENSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2004

SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unqualified opinion on the financial statements of Community Opportunities of East Ascension.
2. No reportable conditions relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Community Opportunities of East Ascension were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENT AUDIT

None



COMMUNITY OPPORTUNITIES OF EAST ASCENSION
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

NONE