

**HERITAGE YOUTH, INC.  
BATON ROUGE, LOUISIANA**

**FINANCIAL STATEMENTS  
AND AGREED-UPON PROCEDURES REPORT**

**FOR THE YEAR ENDED 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 2-2-05

**DESIREE' W. HONORE'**  
**Certified Public Accountant**  
**A Professional Corporation**

**HERITAGE YOUTH, INC.**  
**BATON ROUGE, LOUISIANA**

**FINANCIAL STATEMENTS**  
**AND AGREED-UPON PROCEDURES REPORT**

**YEAR ENDED JUNE 30, 2004**

## CONTENTS

<u>INDEPENDENT ACCOUNTANT'S COMPILATION REPORT</u>	1
<u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
<u>NOTES TO FINANCIAL STATEMENTS</u>	5-6
<u>INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING     AGREED-UPON PROCEDURES</u>	7-8
<u>LOUISIANA ATTESTATION QUESTIONNAIRE</u>	9-10
<u>SCHEDULE OF CURRENT YEAR FINDINGS</u>	11
<u>SCHEDULE OF PRIOR YEAR FINDINGS</u>	12

**Desiree' W. Honore', CPA**

6655 Van Gogh Avenue

A Professional Corporation

Baton Rouge, Louisiana

Telephone: (225) 924-6432

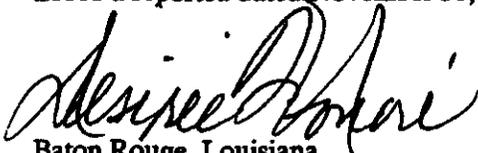
Fax: (225) 924-6452

To the Board of Directors  
Heritage Youth, Inc.  
Baton Rouge, Louisiana

I have compiled the accompanying statements of financial position of Heritage Youth, Inc. (A not for profit organization) as of June 30, 2004, and the related statements of activities and cash flows for the period then ended, 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. I have not audited or reviewed the accompanying financial statements 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 provisions of state law, I have issued a reported dated November 30, 2004, on the results of my agreed-upon procedures.



Baton Rouge, Louisiana  
November 30, 2004

HERITAGE YOUTH, INC.  
(A NONPROFIT ORGANIZATION)  
BATON ROUGE, LOUISIANA

STATEMENT OF FINANCIAL POSITION  
YEAR ENDED JUNE 30, 2004

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 24
Receivable	<u>50,000</u>

Total assets	<u><u>\$50,024</u></u>
--------------	------------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 38,577
---------------------------------------	-----------

NET ASSETS

Temporarily restricted	<u>11,447</u>
------------------------	---------------

Total liabilities and net assets	<u><u>\$50,024</u></u>
----------------------------------	------------------------

See accountant's compilation and accompanying notes.

HERITAGE YOUTH, INC.  
(A NONPROFIT ORGANIZATION)  
BATON ROUGE, LOUISIANA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2004

<b>SUPPORT AND REVENUE</b>	
Grant from Louisiana Department of Social Services	\$50,000
Total support and revenue	<u>50,000</u>
<b>EXPENSES</b>	
Program services	28,458
Administration	10,239
Total Expenses	<u>38,697</u>
<u>Increase in temporarily restricted assets</u>	11,303
Net assets - beginning of period	<u>144</u>
Net assets - end of period	<u><u>\$11,447</u></u>

See accountant's compilation and accompanying notes.

HERITAGE YOUTH, INC.  
(A NONPROFIT ORGANIZATION)  
BATON ROUGE, LOUISIANA

STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2004

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Increase in net assets	\$11,303
Adjustments to reconcile increase in net assets to net cash used by operating activities	
Increase in receivables	(29,875)
Increase in accounts payable	17,935
	<hr/>
Net cash provided by operating activities	<u>(637)</u>
<b>INCREASE IN CASH</b>	<b>(637)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of period</b>	<b>661</b>
<b>CASH AND CASH EQUIVALENTS - end of period</b>	<b><u>\$24</u></b>

See accountant's compilation and accompanying notes.

HERITAGE YOUTH, INC.  
(A NOT FOR PROFIT ORGANIZATION)  
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2004

1. Summary of Significant Accounting Policies

a. Operations

Heritage Youth, Inc. is a non profit organization which provides education support in the lives of underprivileged youth. Funds for Heritage Youth, Inc.'s activities are provided by the Louisiana Department of Social Services.

b. Basis of Accounting

The financial statements of Heritage Youth, Inc. have been prepared on the accrual basis of accounting and accordingly reflect receivables and payables.

c. Basis of Presentation

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

d. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

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

**HERITAGE YOUTH, INC.**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2004**

f. **Income Taxes**

The Organization is a nonprofit organization that is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code.

g. **Functional Expenses**

Expenses are charged directly to the program or administration in general categories based on specific identification.

h. **Cash and Cash Equivalents**

Cash and cash equivalents consist of items having maturities of three months or less from the date of acquisition.

2. **Receivables**

At June 30, 2004, accounts receivable represent the balance of a state grant from the Louisiana Department of Social Services.

3. **Temporarily Restricted Assets**

The organization had temporarily restricted assets of \$ 11,447 at June 30, 2004.

## **Desiree' W. Honore', CPA**

---

6655 Van Gogh Avenue

A Professional Corporation

Baton Rouge, Louisiana

Telephone: (225) 924-6432

Fax: (225) 924-6452

To the Board of Directors  
Heritage Youth, Inc.  
Baton Rouge, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Heritage Youth, Inc. the Legislative Auditor, State of Louisiana, the Louisiana Department of Education, and the Louisiana Department of Social Services solely to assist the users in evaluating management's assertions about Heritages Youth's compliance with certain laws and regulations during the year ended June 30, 2004 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 and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I 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.

### State Awards

1. Determine the amount of state award expenditures for the fiscal year, by grant and grant year.
2. For each state award, I selected all disbursements during the year.
3. For the items selected in procedure 2, I traced the disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, I determined if the disbursements were properly coded to the correct general ledger account.

All of the disbursements were properly coded to the correct general ledger account.

5. For the items selected in procedure 2, I determined whether the disbursements received approval from proper authorities.

Inspection of documentation supporting each of the disbursements indicated approvals from the Executive Director.

6. For the items selected in procedure 2, we determined whether the disbursements complied with the grant agreement, relating to activities allowed or unallowed.

I reviewed the previously listed disbursements for types of services allowed or not allowed.

### Meetings

7. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Heritage Youth, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of Heritage Youth's office building.

### Comprehensive Budget

8. For all grants exceeding five thousand dollars, I determined that each state agency was provided with a comprehensive budget of those grants that included the purpose and duration, specific goals and objectives and measures of performance.

Heritage Youth, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

### Measures of Performance

9. I determined that specific goals and objectives and measures of performance in the consolidated budget were fulfilled.

I obtained information from participants and through examination of program activities determined that the objectives and measures of performance specified in the consolidated budget were fulfilled.

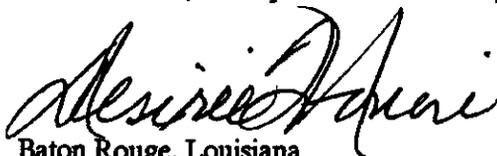
### Prior Comments and Recommendations

10. I reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the agreed-upon procedures engagement for the eight months ended June 30, 2003, the predecessor auditor reported that Heritage Youth, Inc. did not post the notice of the organization's meeting and the accompanying agenda on the door of its office. The comments relating to the posting of meeting notices and the agenda has been resolved by management.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Heritage Youth, Inc., the Legislative Auditor (State of Louisiana), and the Department of Education and Department of Social Services, 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.



Baton Rouge, Louisiana  
November 30, 2004

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

November 30, 2004 (Date Transmitted)

Desiree W. Honore, CPA APC  
6655 Van Gogh Avenue  
Baton Rouge, LA 70806  
\_\_\_\_\_  
(Auditors)

In connection with your review of our financial statements as of June 30, 2004 and for the period 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 regulation 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.

These representations are based on the information available to us as of November 30, 2004.

**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, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes  No

The reports filed with federal, state, and local 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 OMB Compliance Supplement, matters contained in the 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, state, and local 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 disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or 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

*Juanita Juarez* \_\_\_\_\_ President *12/27/04* \_\_\_\_\_ Date

HERITAGE YOUTH, INC.  
(A NOT FOR PROFIT ORGANIZATION)  
BATON ROUGE, LOUISIANA

SUMMARY OF CURRENT YEAR FINDINGS  
PERIOD ENDED JUNE 30, 200

There were no findings for the current year.

HERITAGE YOUTH, INC.  
(A NOT FOR PROFIT ORGANIZATION)  
BATON ROUGE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2004

FINDING 03-01      Heritage Youth did not post the notice of it's meeting and the accompanying agenda on the door of its office.

This did not occur in the current year. This finding is cleared.