

**PROGRESS 63, INC.
BATON ROUGE, LOUISIANA**

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

FOR THE PERIOD 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 1-12-05

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

PROGRESS 63, INC.
BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS
AND AGREED -UPON PROCEDURES REPORT

FOR THE PERIOD ENDED JUNE 30, 2004

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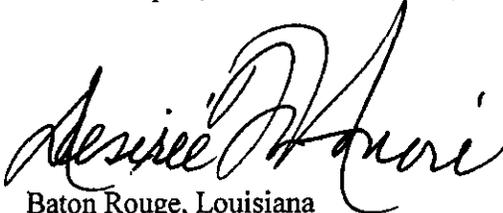
A Professional Corporation

To the Board of Directors,
Progress 63, Incorporated
Baton Rouge, Louisiana

I have compiled the accompanying statements of financial position of Progress 63, Inc. (a non 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 the 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 Government Audit Guide and the provisions of state law, I have issued a report, dated December 27, 2004, on the results of my agreed upon procedures.



Desiree W. Honore'

Baton Rouge, Louisiana
December 27, 2004

PROGRESS 63, INC.
(A NOT FOR PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004

ASSETS

CURRENT ASSETS

| | | |
|---------------------------|-----------|----------------|
| Cash and cash equivalents | \$104,986 | |
| Prepaid Expensea | 2,811 | |
| Total current assets | | <u>107,797</u> |

PROPERTY AND EQUIPMENT

| | | |
|--------------------------------|----------------|---------------|
| Equipment | 7,452 | |
| Furniture and fixtures | 840 | |
| Automobiles | 20,102 | |
| Less: Accumulated Depreciation | <u>(8,549)</u> | |
| Total property and equipment | | <u>19,846</u> |

| | | |
|--------------|--|-------------------------|
| Total assets | | <u><u>\$127,642</u></u> |
|--------------|--|-------------------------|

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | | |
|---------------------------|--|----------|
| | | <u>0</u> |
| Total current liabilities | | |

NET ASSETS - UNRESTRICTED

| | | |
|----------------------------------|----------------|-------------------------|
| | <u>127,642</u> | |
| | | <u>127,642</u> |
| Total liabilities and net assets | | <u><u>\$127,642</u></u> |

See accountant's compilation and accompanying notes.

PROGRESS 63, INC.
(A NOT FOR PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

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

SUPPORT AND REVENUE

| | |
|--|----------------|
| La. State Treasury-Act 13-2002 Session | \$ 139,833 |
| La. State Treasury-Act 14-2003 Session | 111,638 |
| Total support and revenue | <u>251,471</u> |

EXPENSES

| | |
|-----------------------|----------------|
| Program services | 97,671 |
| Administration | 26,158 |
| Total Expenses | <u>123,829</u> |

CHANGE IN NET ASSETS 127,642

| | |
|----------------------------------|-------------------|
| Net assets - beginning of period | <u>0</u> |
| Net assets - end of period | <u>\$ 127,642</u> |

See accountant's compilation and accompanying notes.

PROGRESS 63, INC.
(A NOT FOR PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENT OF CASH FLOWS
JUNE 30, 2004

| | |
|---|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Increase in net assets | \$127,642 |
| Depreciation | 8,549 |
| Adjustments to reconcile increase in net assets to net cash used by operating activities | |
| (Increase) decrease in operating assets | |
| Prepaid Expenses | <u>(2,811)</u> |
| Net cash provided by operating activities | <u>133,380</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Purchase of property and equipment | (28,394) |
| INCREASE IN CASH | 104,986 |
| CASH AND CASH EQUIVALENTS - beginning of period | 0 |
| CASH AND CASH EQUIVALENTS - end of period | <u>\$104,986</u> |

See accountant's compilation and accompanying notes.

PROGRESS 63, INC.
(A NOT FOR PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED JUNE 30, 2004

1. **Summary of Significant Accounting Policies**

a. **Operations**

Progress 63, Inc. is a non profit organization which provides mini-grants to various community organizations whose purpose are in accordance with the mission of Progress 63, Inc. This includes educational support to school age children and projects that specifically target the elderly population.

b. **Basis of Accounting**

The financial statements of Progress 63, 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.

PROGRESS 63, 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.

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A Professional Corporation

To the Board of Directors
Progress 63, 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 Progress 63, Inc. the Legislative Auditor, State of Louisiana, and the Louisiana State Treasurer solely to assist the users in evaluating management's assertions about Progress 63's compliance with certain laws and regulations during the period 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 12 disbursements made during the period.
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 selected 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 and Board President.

6. For the items selected in procedure 2, I 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).

Progress 63, Inc. is required to post a notice of each meeting and the accompanying agenda on the door of its office building. The organization did post meeting notices and agendas on the door of its office.

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.

Progress 63, Inc. provided comprehensive budgets to the State Treasurer for the program 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

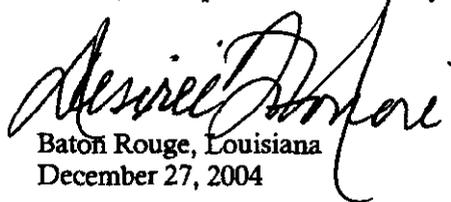
9. I determined that specific goals and objectives and measures of performance in the consolidated budget were fulfilled.

Prior Comments and Recommendations

10. There were no prior year comments as this is the organization's first engagement.

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
December 27, 2004

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

December 27, 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 December 27, 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 tied 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

James W. Phillips President 12/27/04 Date

PROGRESS 63, 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.