# **FAMILY VALUES RESOURCE INSTITUTE, INC** Baton Rouge, Louisiana

Annual Financial Statements As of and For the Year Ended December 31, 2008

> 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.

9/09 Release Date

2009 JUN 25 AM 10- 35

# **DONALD C. De VILLE**

Certified Public Accountant 7829 Bluebonnet Boulevard Baton Rouge, Louisiana 70810



Member American Insitute CPAs Member Louisiana Society CPAs

7829 BLUEBONNET BLVD. BATON ROUGE, LA 70810 (225) 767-7829

June 2, 2009

To the Members of the Board Family Values Resource Institute, Inc. 7515 Scenic Highway Baton Rouge, LA 70807

I have reviewed the accompanying Statement of Financial Position of Family Values Resource Institute, Inc. as of December 31, 2008, and the related Statements of Activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by American Institute of Certified Public Accountants. All information included in these financial statements is the representation of management of Family Values Resource Institute, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Respectively submitted,

Nonde Audille

# FAMILY VALUES RESOURCE INSTITUTE, INC. STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2008

# ASSETS

Cash in Bank	\$3,343
Grants Receivable	8,811
Fixed Assets	120,640
Deposit	1,000
Total Assets	133,794

# LIABILITIES AND NET ASSETS

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LIABILITIES: Loans Payable	\$122,959
Total Liabilities	122,959
NET ASSETS Net Assets	10,835
TOTAL LIABILITIES & NET ASSETS	133,794

# FAMILY VALUES RESOURCE INSTITUTE, INC.STATEMENT OF ACTIVITIESFOR THE YEAR ENDED DECEMBER 31, 2008

INCOME Contributions Contributions-Loan Cancellation State Contract/Fees Rental Income Private Grants Fund Raiser Miscellaneous Income	\$39,575 93,782 245,711 1,600 5,000 11,720 8,092
TOTAL INCOME	405,480
EXPENSES Program Services Youth Programs Support Services Administration Fund Raising	315,326 28,477 8,643
TOTAL EXPENSES	352,446
Increase in Net Assets	53,034
NET ASSETS, BEGINNING OF YEAR	22,658
Prior Period Adjustment	(64,857)
NET ASSETS, END OF YEAR	10,835

# FAMILY VALUES RESOURCE INSTITUTE, INC. STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2008

	PROGRAM SERVICES SUPPORT SERVICES			
	PROGRAM		FUND	TOTAL
	SERVICES	ADMINISTRATION	DEVELOPMENT	EXPENSES
			<b>*</b> • •	
Salaries	\$105,013	\$18,532		123,545
Payroll Taxes	24,765	4,371	- 0 -	29,136
Bank Charges	3,592	- 0 -	- 0 -	3,592
Board Expenses	- 0 -	254	- 0 -	254
Depreciation	- 0 -	5,320	- 0 -	5,320
Donations	188	- 0 -	-0-	188
Dues and Subscript	tions 550	- 0 -	-0-	550
Equipment Expense	2,810	- 0 -	- 0 -	2,810
Fund Raiser	- 0 -	- 0 -	8,643	8,643
Insurance	14,395	- 0 -	- 0 -	14,395
Interest Expense	16,356	- 0 -	-0-	16,356
Office Expense	190	- 0 -	- 0 -	190
Miscellaneous	177	- 0 -	-0-	177
Postage	1,607	- 0 -	- 0 -	1,607
Printing	68	- 0 -	- 0 -	68
Program Expense	89,314	- 0 -	- 0 -	89,314
Professional	5,773	- 0 -	-0-	5,773
Supplies	18,389	<del>-</del> 0 -	- 0 -	18,389
Telephone	10,511	- 0 -	-0-	10,511
Travel	6,704	- 0 -	- 0 -	6,704
Occupancy	14,924	- 0 -	- 0 -	14,924
TOTAL EXPENSES	315,326	28,477	8,643	352,446

# FAMILY VALUES RESOURCE INSTITUTE, INC. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase (Decrease) in Net Assets	\$53,034
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities: Depreciation	5,320
In-Kind Loan Cancellation	(93,782)
(Increase) Decrease In Operating Assets: Accounts Receivables	5,188
<b>Increase (Decrease) In Operating Liabilities:</b> Accounts Payable	- 0 -
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(30,240)
CASH FLOWS FROM INVESTING ACTIVITIES: Purchase of Equipment CASH FLOWS FROM FINANCING ACTIVITIES: Proceeds From Loans Repayment of Loans	(-0-) 62,003 (36,061)
	25,942
NET INCREASES (DECREASE) IN CASH	(4,298)
CASH AND CASH EQUIVALENTS, Beginning of Year	7,641
CASH AND CASH EQUIVALENTS, End of Year	3,343

SUPPLEMENTAL DATA: Interest paid

\$16,359

# NOTE #1. <u>NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING</u> <u>POLICIES</u>

#### **Organization**

The Family Values Resource Institute, Inc. is a non-profit voluntary health organization, incorporated on April 20, 1998, in Louisiana, for the purpose to enable, empower, and encourage the family to overcome barriers to achieving their potential through education, vocational training, creative arts, and support services.

# Basis of Presentation

The Organization follows the requirements of Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 117, <u>Financial Statements of Not-For-Profit Organizations</u>. Under FASB Statement No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

#### <u>Estimates</u>

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight-line method over the estimated useful lives of 5 to 30 years.

#### Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code, and classified by the Internal Revenue Service as other than a private foundation.

#### Cash and Cash Equivalents

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with maturity of three months or less to be cash equivalents.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of support, revenue and expenses, and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### CONCENTRATION OF SUPPORT

During the year ended **December 31, 2008,** the Organization derived approximately **61%** of its revenue from state, local and/or Federal grants.

# NOTE #2 - CONCENTRATION OF CREDIT RISK

At year end, the carrying amount of the Organization's cash balances on the books, was \$3,343. The Organization maintains two bank accounts at different financial institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at this institutions did not exceed the Federally insured limits.

#### NOTE #3. EQUIPMENT

Equipment at year-end consist of the following:

Equipment Warehouse	\$6,600 150,000
Less: Accumulated Depreciation	(35,960)
Equipment Book Value	120,640

#### NOTE #4. LOANS PAYABLE

The Family Values Resource Institute, Inc. has a revolving line of credit at 6.5% at the Exxon/Mobile Federal Credit Union. At year-end the outstanding balance was \$34,600.

The Family Values Resource Institute, Inc. also has a revolving line of credit at 7.5% at Hancock Bank. At year-end the outstanding balance was \$79,059.

The Family Values Resource Institute, Inc. has a \$9,300 personal loan payable to a board member.

Future principal reduction totals: \$122,959 in 2009

#### NOTE #5. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment was made to reverse prior year receivables not recorded, adjustment of notes payable not on clients financial statements and the payment of prior year payroll taxes.

#### NOTE #6. <u>CONTINGENCIES</u>

The Family Values Resource Institute, Inc. received a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

#### NOTE #7. RISK MANAGEMENT

The Family Values Resource Institute, Inc. is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Organization's coverages.

The Organization's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

# SUPPLEMENTAL INFORMATION



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<u>Independent Accountant's Report</u> on Applying Agreed-Upon Procedures

June 2, 2009

To the Members of the Board Family Values Resource Institute, Inc. Baton Rouge, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Family Values Resource Institute, Inc. and the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Family Values Resource Institute, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2008, 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 Governmental 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.

#### 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.

#### State:

State	of	Louisiana	Office of Family Support \$	132,636
State	of	Louisiana	TANF Funds	90,259
State	of	Louisiana	Medicaid Application Reimbursements	6,062

2. For each Federal, state and local award, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected. 3. For the items selected in procedure 2, I traced the disbursements to supporting documentation as to proper amount and payee.

I found all charges adequately supported except one \$68 unsupported invoice.

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

All the items selected were properly coded except the missing \$68 charge.

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

All the items selected indicated approvals except the \$68 missing charge.

6. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no close-out reports.

#### Meetings

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

> I obtained copies of the minutes of the Organization's meetings held. They provided me with agendas that they posted before each meeting at the office building indicating the meetings are open to the public.

# Comprehensive Budget

8. For all grants exceeding five thousand dollars, I determined that each applicable federal state or local grantor agency/agencies was provided with a comprehensive budget of those grants that include the purpose and duration, and for state grants included specific goals and objectives and measurement of performance.

> I obtained a copy of the budgets for each grant filed with the State with the anticipated use of funds and objectives of the project and compared them to the financial statements.

#### Prior Comments and Recommendations

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

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on Management 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 Family Values Resource Institute, Inc., Legislative Auditor (State of Louisiana), and applicable state grantor agency/agencies 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.

Respectfully submitted,

Nall c Deville

# FAMILY VALUES RESOURCE INSTITUTE, INC. SCHEDULE OF PRIOR YEARS FINDINGS YEAR ENDED DECEMBER 31, 2008

	FISCAL YEA	R		CORRECTIVE
	FINDING		CORRECTIVE	ACTION/PARTIAL
REF	INITIALLY		ACTION TAKEN	CORRECTIVE
<u>NO.</u>	<u>OCCURRED</u>	DESCRIPTION OF FINDING	(YES, NO, PARTIALLY)	ACTION TAKEN

None

## FAMILY VALUES RESOURCE INSTITUTE, INC. SCHEDULE OF CURRENT YEARS FINDINGS YEAR ENDED DECEMBER 31, 2008

- **ITEM 1:** The Organization's loans are not recorded on the Organization's Statement of Financial Position (old balance sheet).
- CRITERIA: Good accounting procedures requires all assets and liabilities be recorded on the Organizations books.
- **CAUSE:** The Organization did not know how to record the loans on the books; however, accounted for the loan proceeds and paybacks on the Statement of Activities.
- **EFFECT:** The \$122,959 Loans Payable were not recorded on the Organizations books.
- **RECOMMENDATION:** I recommend that all assets and liabilities be recorded on the books. I can recommend individuals to assist with this entry.

MANAGEMENT RESPONSE: See corrective action plan.

# BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC. CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2008

		CORRECTIVE	NAME OF	ANTICIPATED
REF	DESCRIPTION	ACTION	CONTACT	COMPLETION
NO.	OF FINDING	PLANNED	PERSON	DATE

1	Loans Payable Not	The Loans Will (	Charles Thomas	6-30-09
	Record on the Books.	Be Recorded on		
		The General Ledge	er	

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

May 18, 2009 (Date Transmitted)

Donald C DeVille	
Certified Public Accountant	
7829 Bluebonnet Blvd	
Baton Rouge, LA 70810	(Auditors)

In connection with your review of our financial statements as of December 31, 2008 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.

These representations are based on the information available to us as of May 18, 2009.

#### 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[X]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[X] No[]

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

Yes[X] 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[X] No[]

#### Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Yes [X]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 [X] No []

#### **Prior Year Comments**

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

#### Yes [X] 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 that may occur up to the date of your report.

Albra hous	Secretary	May 18, 2009 Date
Age Lindowigh	Treasurer	May 18, 2009 Date
Charles R. Thomas IT	President	May 18, 2009 Date