

POSITIVE FORCES COUNSELING NETWORK, INC.

MONROE, LOUISIANA

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
FOR THE YEAR ENDED

JUNE 30, 2009

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 12/23/09

POSITIVE FORCES COUNSELING NETWORK, INC.
JUNE 30, 2009

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- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

November 30, 2009

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Positive Forces Counseling Network, Inc.
Monroe, Louisiana

We have audited the accompanying statement of financial position of the Positive Forces Counseling Network, Inc. (a nonprofit organization) as of June 30, 2009, and the related statements of activities, functional expenses and cash flows for the year 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 audit provides 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 Positive Forces Counseling Network, Inc., as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Positive Forces Counseling Network, Inc. taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents for the year ended June 30, 2009, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2009 on our consideration of Positive Forces Counseling Network, Inc.'s internal control structure and its compliance with laws, regulations, 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.

Johnston, Perry, Johnson & Associates, L.L.P.

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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November 30, 2009

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Positive Forces Counseling Network, Inc.
Monroe, Louisiana

We have audited the financial statements of Positive Forces Counseling Network, Inc. as of and for the year ended June 30, 2009, and have issued our report thereon dated November 30, 2009. We conducted our audit in accordance with accounting standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Positive Forces Counseling Network, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Positive Forces Counseling Network, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Positive Forces Counseling Network, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Positive Forces Counseling Network, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 audit, 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*.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Johnston, Perry, Johnson & Associates, L.L.P.

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

POSITIVE FORCES COUNSELING NETWORK, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

CURRENT ASSETS

Cash	32,647	
Receivables	<u>78,617</u>	

<u>TOTAL CURRENT ASSETS</u>		111,264
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FIXED ASSETS

Equipment	203,120	
Less: Accumulated Depreciation	<u>(135,126)</u>	

<u>NET FIXED ASSETS</u>		<u>67,994</u>
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<u>TOTAL ASSETS</u>		<u>179,258</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	8,105	
Notes Payable - Banks	<u>10,000</u>	

<u>TOTAL CURRENT LIABILITIES</u>		18,105
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LONG-TERM DEBT

-0-

<u>TOTAL LIABILITIES</u>		18,105
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NET ASSETS

Unrestricted	<u>161,153</u>	
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<u>TOTAL NET ASSETS</u>		<u>161,153</u>
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<u>TOTAL LIABILITIES AND NET ASSETS</u>		<u>179,258</u>
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The accompanying notes are an integral part of these financial statements.

POSITIVE FORCES COUNSELING NETWORK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

UNRESTRICTED NET ASSETS

Support

Grants and Contracts

672,136

Services

585

TOTAL SUPPORT

672,721

EXPENSES

Program Services - Mental Health

592,284

Supporting Services

97,248

Fund-Raising

-

TOTAL EXPENSES

689,532

INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS

(16,811)

NET ASSETS AT BEGINNING OF YEAR

177,964

NET ASSETS AT END OF YEAR

161,153

The accompanying notes are an integral part of these financial statements.

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POSITIVE FORCES COUNSELING NETWORK, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2009

	Mental Health Counseling <u>Services</u>	General and <u>Administrative</u>	<u>Total</u>
Personal Services	390,528	47,438	437,966
Related Benefits	60,805	6,320	67,125
Travel and Training	3,954	3,789	7,743
Operating Services	106,506	29,396	135,902
Supplies	11,566	866	12,432
Professional Services	<u>-</u>	<u>7,100</u>	<u>7,100</u>
 Total Expenditures Before Depreciation	 573,359	 94,909	 668,268
Depreciation	<u>18,925</u>	<u>2,339</u>	<u>21,264</u>
 <u>TOTAL EXPENSES</u>	 <u>592,284</u>	 <u>97,248</u>	 <u>689,532</u>

The accompanying notes are an integral part of these financial statements.

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POSITIVE FORCES' COUNSELING NETWORK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Increase (Decrease) in Net Assets	(16,811)
Adjustments to Reconcile Increase in Net Assets	
To Net Cash Provided (Used) by Operating Activities	
Depreciation	21,264
(Increase) Decrease in:	
Operating Assets - Receivables	37,574
Increase (Decrease) in:	
Operating Liabilities - Payables	<u>(4,309)</u>
 <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	 <u>37,718</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
None	-
 <u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	 -0-
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
Fixed Assets Purchased	(22,342)
Loan Proceeds	10,000
Loan Payments	<u>(50,000)</u>
 <u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>	 <u>(62,342)</u>
 <u>NET INCREASE (DECREASE) IN CASH</u>	 <u>(24,624)</u>
 <u>BEGINNING CASH AND CASH EQUIVALENTS</u>	 <u>57,271</u>
 <u>ENDING CASH AND CASH EQUIVALENTS</u>	 <u>32,647</u>
 <u>SUPPLEMENTAL CASH BASIS DATA</u>	
Interest Paid	2,075
Income Taxes Paid	-0-

The accompanying notes are an integral part of these financial statements.

POSITIVE FORCES COUNSELING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - Summary of Significant Accounting Policies

A. Statement of Presentation:

The accompanying financial statements conform to generally accepted accounting principles for not-for-profit organizations.

B. Organization:

The Organization provides counseling services to families and individuals who need assistance with mental, emotional, behavioral relationships or spiritual problems in northeast Louisiana.

C. Estimates:

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

D. Cash and Cash Equivalents:

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

E. Budget Policy:

Budgets for various programs are prepared by the Organization and approved by grantor of the funds for each respective program. No budgets are prepared for the general fund.

F. Contributions:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future

POSITIVE FORCES COUNSELING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

F. Contributions: (Continued)

periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

G. Cash in Bank:

All funds are in institutions insured by an agency of the Federal Government, the Federal Deposit Insurance Corporation.

H. Fixed Assets:

Fixed assets are depreciated over their estimated useful lives using the straight-line method. Fixed assets are capitalized for individual cost over \$1,000. Donated assets are valued at market value at date of contributions.

NOTE 2 - Funding Policies and Sources of Funds

The Organization receives its monies through various methods of funding. Most of the funds are received on a grant basis from Louisiana Department of Health and Hospitals. The Organization also receives funds as a reimbursement of actual expenditures, and upon a per unit of service provided method. The Organization also receives funds by contributions from both public and private sources. If the Organization loses these funds, it will have an adverse effect on the corporation.

NOTE 3 - ACCOUNTS RECEIVABLE - GRANTS

Accounts Receivable - Grants at June 30, 2009 generally consists of reimbursements from the Department of Health and Hospitals for expenditures incurred under the grant program.

POSITIVE FORCES COUNSELING NETWORK, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

NOTE 3 - ACCOUNTS RECEIVABLE - GRANTS (Continued)

The reserve for bad debts is zero. Amounts are usually collected within 30 days of billing and management reviews accounts receivable monthly for bad debts.

NOTE 4 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 5 - IN-KIND CONTRIBUTIONS

The Organization received various in-kind contributions during the year from private and public sources. The value of donated volunteer services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services.

NOTE 6 - INCOME TAX STATUS

The Organization applied as a nonprofit corporation and is exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code.

NOTE 7 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets recorded at cost follows:

	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009
Furniture & Equipment	89,376	352	(45,570)	44,158
Transportation Equipment	177,510	21,990	(40,538)	158,962
TOTAL	<u>266,886</u>	<u>22,342</u>	<u>(86,108)</u>	<u>203,120</u>

The State of Louisiana maintains a reversionary right against fixed assets in the event the Organization wishes to dispose of assets or ceases operations.

POSITIVE FORCES COUNSELING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 8 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

NOTE 9 - FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash and a note payable. The Organization estimates that the fair value of all financial instruments at June 30, 2009 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE 10 - LEASE

The Organization leases two buildings in Monroe, Louisiana for \$2,750 per month, one on a month-to-month basis and the other on a long-term lease. Lease payment obligations are as follows:

<u>Year Ended</u>	<u>Amount</u>
6/30/2010	21,450
6/30/2011	16,200

NOTE 11 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization has determined that fund-raising costs are not material.

POSITIVE FORCES COUNSELING NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 12 - RETIREMENT PLAN

All employees are covered under the social security program. No other retirement plan is maintained.

NOTE 13 - COMPENSATED ABSENCES

The Organization's policy is to expense compensated absences in the period such leave is used. Amounts of accrued compensation at June 30, 2009 are not material.

NOTE 14 - ADVERTISING

The Organization expenses advertising expense as incurred. Advertising costs during this year are not material.

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE I

POSITIVE FORCES COUNSELING NETWORK, INC.
 SCHEDULE OF EXPENDITURES - BY CONTRACTS
 JUNE 30, 2009

	CONTRACT <u>664258</u>	CONTRACT <u>647849</u>	CONTRACT <u>653431</u>	CONTRACT <u>664255</u>	CONTRACT <u>684253</u>
Personal Services	92,944	79,709	78,488	84,476	54,912
Related Benefits	14,526	13,009	13,189	11,096	8,985
Travel and Training	1,657	486	583	434	793
Operating Services	7,932	31,953	20,219	13,641	32,760
Supplies	2,694	399	1,921	1,898	4,654
Professional Services	1,400	1,400	1,400	1,500	1,400
Capital Assets	165	-	-	22,177	-
Administration	<u>13,628</u>	<u>13,224</u>	<u>13,627</u>	<u>15,736</u>	<u>13,121</u>
<u>TOTAL EXPENDITURES</u>	<u>134,946</u>	<u>140,180</u>	<u>129,427</u>	<u>150,958</u>	<u>116,625</u>

See accountants' report.

POSITIVE FORCES COUNSELING NETWORK, INC.
COMPENSATION TO BOARD MEMBERS
JUNE 30, 2009

No compensation was paid to any board member during the year under audit.

See accountants' report.

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POSITIVE FORCES COUNSELING NETWORK, INC.
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2009

INTERNAL CONTROL FINDINGS

None

COMPLIANCE FINDINGS

None

POSITIVE FORCES COUNSELING NETWORK, INC.
FINDINGS, RECOMMENDATIONS AND CORRECTIVE ACTION - PRIOR YEAR
JUNE 30, 2009

INTERNAL CONTROL FINDINGS

08-1

Finding: The Organization's monthly reports report the same cost of \$425 on two reports, which resulted in an overpayment from the Department of Health and Hospitals.

Action Taken: The Organization filed corrected reports in the current fiscal year, and the \$425 was settled with the Department of Health and Hospitals.

COMPLIANCE FINDINGS

There were no prior year compliance findings.