

**ALS ASSOCIATION LOUISIANA CIO****JANUARY 31, 2009****BATON ROUGE, LOUISIANA**

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 9/30/09

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September 11, 2009

Independent Auditor's Report

Board of Directors  
ALS Association Louisiana CIO  
Baton Rouge, Louisiana

We have audited the accompanying Statement of Financial Position of ALS Association Louisiana CIO as of January 31, 2009, and the related Statements of Activities, Cash Flows, and Functional Expenses for the year ended January 31, 2009. These financial statements are the responsibility of the Association'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 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 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 ALS Association Louisiana CIO as of January 31, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2009, on our consideration of ALS Association Louisiana CIO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

ALS ASSOCIATION LOUISIANA CIO

STATEMENT OF FINANCIAL POSITION

AS OF JANUARY 31, 2009

ASSETS

**Current Assets:**

Cash \$ 111,286

**Property and Equipment:**

Durable Medical Equipment 53,552

Office Equipment 7,230

60,782

Less: Accumulated Depreciation (16,401)

44,381

**Other Assets**

810

Total Assets

\$ 156,477

LIABILITIES AND NET ASSETS

**Current Liabilities:**

Accounts Payable \$ 17,655

Accrued Liabilities 2,209

Current Portion of Long Term Debt 11,666

Deferred Income 37,019

Total Current Liabilities

68,549

**Net Assets:**

Unrestricted 36,108

Temporarily Restricted 51,820

Total Net Assets

87,928

Total Liabilities and Net Assets

\$ 156,477

The accompanying notes are an integral part of this financial statement.

**ALS ASSOCIATION LOUISIANA CIO**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JANUARY 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenue:</b>			
Fundraising Events:			
Walk to D'Feet ALS	\$ 207,171	\$ -	\$ 207,171
Less: Direct Cost of Event	<u>(16,227)</u>	<u>-</u>	<u>(16,227)</u>
	190,944	-	190,944
Other Fundraisers	23,221	-	23,221
Less: Direct Cost of Event	<u>(3,219)</u>	<u>-</u>	<u>(3,219)</u>
	<u>20,002</u>	<u>-</u>	<u>20,002</u>
Net Fund Raising Support	210,946	-	210,946
Contributions	55,391	68,100	123,491
Contributions - Research	5,124	-	5,124
Grant	37,981	-	37,981
Donated Durable Medical Equipment	24,430	-	24,430
In Kind Donations	15,928	-	15,928
Interest Income	277	-	277
Net Assets Released from Restriction	<u>16,280</u>	<u>(16,280)</u>	<u>-</u>
Total Support and Revenue	<u>366,357</u>	<u>51,820</u>	<u>418,177</u>
<b>Expenses:</b>			
Patient Services	157,228	-	157,228
Advocacy	34,100	-	34,100
Public Education	<u>36,844</u>	<u>-</u>	<u>36,844</u>
Total Program Services	228,172	-	228,172
Management and General	71,456	-	71,456
Fund Raising	<u>43,776</u>	<u>-</u>	<u>43,776</u>
	343,404	-	343,404
Unallocated Payments to Affiliated Organizations:			
Revenue Sharing	48,287	-	48,287
Research	<u>5,124</u>	<u>-</u>	<u>5,124</u>
Total Unallocated Payments	<u>53,411</u>	<u>-</u>	<u>53,411</u>
Total Expenses	<u>396,815</u>	<u>-</u>	<u>396,815</u>
<b>Change in Net Assets</b>	<u>(30,458)</u>	51,820	21,362
<b>Net Assets, Beginning of Year</b>	<u>66,566</u>	<u>-</u>	<u>66,566</u>
<b>Net Assets, End of Year</b>	<u>\$ 36,108</u>	<u>\$ 51,820</u>	<u>\$ 87,928</u>

The accompanying notes are an integral part of this financial statement.

ALS ASSOCIATION LOUISIANA CIO

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JANUARY 31, 2009

<b>Cash Flows From Operating Activities:</b>	
Change in Net Assets	\$ 21,362
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation	9,880
Donated Equipment	(24,429)
Changes in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	1,503
Increase (Decrease) in Accrued Liabilities	(805)
Increase (Decrease) in Deferred Income	<u>37,019</u>
Net Cash Provided by Operating Activities	44,530
<b>Cash Flows from Investing Activities:</b>	
Purchases of Equipment	<u>(7,230)</u>
Net Cash Used in Investing Activities	(7,230)
<b>Cash Flows from Financing Activities:</b>	
Payments on Long-Term Debt	<u>(11,667)</u>
Net Cash Used in Financing Activities	<u>(11,667)</u>
<b>Net Increase in Cash</b>	25,633
<b>Cash at Beginning of Year</b>	<u>85,653</u>
<b>Cash at End of Year</b>	<u><u>\$ 111,286</u></u>

The accompanying notes are an integral part of this financial statement.

**ALS ASSOCIATION LOUISIANA CIO**

**STATEMENT OF FUNCTIONAL EXPENSES**

FOR THE YEAR ENDED JANUARY 31, 2009

	<u>Patient Services</u>	<u>Advocacy</u>	<u>Public Education</u>
Salaries	\$ 55,101	\$ 21,791	\$ 16,886
Payroll Taxes	4,274	1,690	1,310
Payroll Employee Benefits	<u>5,824</u>	<u>1,211</u>	<u>1,279</u>
Total Personnel Cost	65,199	24,692	19,475
Advertising (Yellow Pages)	743	-	-
ALS Awareness Month	-	-	415
Bank Charges	-	-	-
Board Expenses	-	-	-
Clinic	4,557	-	-
Computers and Networking	1,439	639	533
Database, Dues & Subscriptions	1,874	629	525
Durable Medical Equipment Repairs & Rentals	638	-	-
Education and Training	203	-	2,532
In-Kind Expense	-	-	-
Insurance (Medical Liability)	1,457	-	-
Insurance- Workman's Comp	658	260	202
Legal & Professional Fees	-	-	-
Miscellaneous Expense	435	-	981
National Caregivers Month	-	-	1,251
Newsletter	-	-	3,398
Office Expenses	1,753	780	650
Office Lease	7,760	1,144	1,058
Payroll Services	-	-	-
Patient Care Support Fund	14,486	-	-
Patient Holiday Outing/Picnic	287	-	-
Postage & Delivery	1,857	320	267
Printing & Reproduction	476	211	176
Resources & References	1,376	-	-
Respite Care	34,800	-	-
Support Groups	5,482	-	-
Symposium	-	-	4,569
Travel	10,376	623	325
Travel- Patients	-	4,217	-
Utilities	1,372	585	487
Depreciation	-	-	-
	<u>\$ 157,228</u>	<u>\$ 34,100</u>	<u>\$ 36,844</u>

The accompanying notes are an integral part of this financial statement.

<u>Total Programs</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
\$ 93,778	\$ 25,665	\$ 28,779	\$ 148,222
7,274	1,990	2,232	11,496
8,314	1,049	1,546	10,909
<hr/>	<hr/>	<hr/>	<hr/>
109,366	28,704	32,557	170,627
743	-	-	743
415	-	-	415
-	2,226	-	2,226
-	56	-	56
4,557	-	-	4,557
2,611	693	959	4,263
3,028	682	944	4,654
638	-	-	638
2,735	-	-	2,735
-	15,928	-	15,928
1,457	-	-	1,457
1,120	306	343	1,769
-	3,848	-	3,848
1,416	10	-	1,426
1,251	-	-	1,251
3,398	-	-	3,398
3,183	845	1,169	5,197
9,962	1,138	2,290	13,390
-	5,017	-	5,017
14,486	-	-	14,486
287	-	-	287
2,444	347	480	3,271
863	229	317	1,409
1,376	-	-	1,376
34,800	-	-	34,800
5,482	-	-	5,482
4,569	-	-	4,569
11,324	914	3,515	15,753
4,217	-	-	4,217
2,444	633	1,202	4,279
-	9,880	-	9,880
<hr/>	<hr/>	<hr/>	<hr/>
\$ 228,172	\$ 71,456	\$ 43,776	\$ 343,404
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**ALS ASSOCIATION LOUISIANA CIO**

**NOTES TO FINANCIAL STATEMENTS**

JANUARY 31, 2009

**Note 1 - Summary of Significant Accounting Policies -**

**Organization and Purpose**

ALS Association Louisiana CIO is a not-for-profit Chapter in Organization (CIO) of the National Amyotrophic Lateral Sclerosis (ALS) Association. Amyotrophic Lateral Sclerosis (ALS) is also known as Lou Gehrig's Disease.

The Association was incorporated in Louisiana on April 13, 2005, as The ALS Association Louisiana Friends Group, and the name was changed to ALS Association Louisiana CIO on November 17, 2005.

The primary purposes of ALS Association Louisiana CIO are to provide services, free of charge, to ALS patients throughout Louisiana, to serve as advocates for the ALS community, and to increase public awareness of ALS.

**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 Association 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. At January 31, 2009, there are no permanently restricted net assets.

**Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

**Income Tax Status**

ALS Association Louisiana CIO has been recognized by the Internal Revenue Service as an exempt organization under Section 501 (c) (3) of the Internal Revenue Code. Therefore, the financial statements have no provision for state and federal income taxes.

**Restricted and Unrestricted Revenue and Support**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other 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 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.

#### Account Receivable

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

#### Equipment

Equipment is carried at cost or, if donated, at the approximate fair market value at the date of the donation.

Maintenance and repairs are charged against earnings when incurred.

The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in operations.

In addition, the Association capitalizes all durable medical equipment, regardless of cost, that it lends to ALS patients. Depreciation is computed on a straight line basis over five years.

#### Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and money market accounts with original maturity of three months or less.

#### Lease Commitment

Rent expense is recognized on a straight-line basis over the term of the lease.

#### Concentrations

At various times during the year, cash on deposit with one banking institution may exceed the maximum amount allowed by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the institution on a regular basis, along with their balances in cash to minimize this potential risk.

Approximately 46% of the Association's support and revenue for the fiscal year was provided from the annual Walks to D'Feet ALS.

Substantially all of the support and revenue for the Association is raised from activities in Louisiana.

### Estimates

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 of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

### Donated Services

The Organization recognizes contribution revenue for certain services received at the fair value of those services provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended January 31, 2009, donated services of the bookkeeper were recorded as the services were performed. The value of other contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

### Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited based on payroll or percentage of office space.

### **Note 2 - Related Parties -**

ALS Association Louisiana CIO is affiliated with The ALS Association ("National Office") and revenue shares with the National Office according to the affiliate agreement. Amounts paid for the fiscal year ended January 31, 2009 totaled \$53,411. The Association owes The ALS Association \$14,343, which is included in accounts payable at January 31, 2009. In addition to the fees owed at January 31, 2009, the Association owes The ALS Association \$11,666 related to a loan. The amount recorded as a note payable relates to the fiscal year ended January 31, 2007 salary for the Executive Director and is further discussed in Note 4 to these financial statements.

### **Note 3 - Commitments -**

The Association is leasing its office space for the period from April 13, 2006 to April 30, 2009, with a monthly payment of \$810. The Association signed an extension on this lease beginning on May 1, 2009 and extending to April 30, 2012. In addition to the lease for office space, the Association pays rent on a month-to-month basis for parking spaces. The Association's rent expense for the years ended January 31, 2009 under all lease agreements was \$13,390. The total minimum rental commitment at January 31, 2009, under the terms of the lease for office space is due as follows:

<u>Years</u>	<u>Amounts</u>
January 31, 2010	\$ 9,720
January 31, 2011	9,720
January 31, 2012	9,720
January 31, 2013	2,430
	<hr/>
	\$ 31,590
	<hr/>

**Note 4 - Notes Payable -**

On May 17, 2005, the Association received a non-interest bearing loan from The ALS Association in the amount of \$35,000 toward the salary of the Executive Director. The loan is payable in the amount of \$11,666 annually over a three year period with the final payment due July 1, 2009.

Note obligation maturities in years ended January 31, are as follows:

2009	\$ 11,666
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**Note 5 - Net Assets Released from Restrictions -**

Net assets were released from restrictions for incurring expenses, satisfying the restricted purpose.

Restrictions Accomplished:

Patient Service Specialist	\$ 10,558
Patient Services Clinic	4,557
Kids Care Program	1,165
	<u>\$ 16,280</u>

**Note 6 - Restriction on Net Assets -**

Temporarily restricted net assets are available for the following purposes:

Temporarily Restricted Net Assets:

Support Group Meetings & Clinic	\$ 1,000
Respite Care	15,000
Patient Service Specialist	29,442
Patient Service Clinic	5,443
Kids Care Program	935
	<u>\$ 51,820</u>

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*

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September 11, 2009

To the Board of Directors  
ALS Association Louisiana CIO  
Baton Rouge, Louisiana

We have audited the financial statements of ALS Association Louisiana CIO as of and for the year ended January 31, 2009, and have issued our report thereon dated September 11, 2009. We conducted our audit 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.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered ALS Association Louisiana CIO'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 the ALS Association Louisiana CIO's internal control over financial reporting.

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 Organizations' 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 Organizations' financial statements that is more than inconsequential will not be prevented or detected by the Organizations' 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 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether ALS Association Louisiana CIO'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2009-1.

We noted certain matters that we reported to management of ALS Association Louisiana CIO in a separate letter dated September 11, 2009.

ALS Association Louisiana CIO's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit ALS Association Louisiana CIO's response and, accordingly, we express no opinion on it.

This report is intended for the Board of Directors, Management, the Office of the Louisiana Legislative Auditor and any cognizant agency, and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document and its distribution is not limited.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

**ASL ASSOCIATION LOUISIANA CIO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST**  
**FOR THE YEAR ENDED JANUARY 31, 2009**

**Internal Control Findings:**

None

**Compliance Finding:**

Failure to Complete Audit Report Within Six Months of the Close of the Fiscal Year (LSA-R.S. 24:513):

Finding 2009-1:

During the current year, the Association failed to comply with the above revised statute regarding timely completion of their audit report. The current audit was not completed and submitted to the Legislative Auditor until September 2009.

Recommendation:

We recommend that all future reports be submitted timely as required by the revised statute mentioned above.

Management's Response:

Management is working to set policies and procedures in place to facilitate timely completion of the annual audit report.

**ASL ASSOCIATION LOUISIANA CIO**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JANUARY 31, 2009**

None.

ALS ASSOCIATION LOUISIANA CIO

MANAGEMENT LETTER

JANUARY 31, 2009

BATON ROUGE, LOUISIANA



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September 11, 2009

To the Board of Directors  
ALS Association Louisiana CIO  
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of ALS Association Louisiana CIO ("Association") for the year ended January 31, 2009, we considered the Association's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated September 11, 2009, on the financial statements of ALS Association Louisiana CIO.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Association personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

**Fixed Assets**

Finding:

In completing our auditing procedures, we noted two issues related to fixed assets. We noted that there were numerous items of insignificant dollar amounts for donated equipment that were being capitalized throughout the year. We also noted that purchased equipment was not being capitalized but rather expensed during the year.

Recommendation:

We recommend that the Board establish a capitalization policy which will set a dollar amount for capitalization of fixed assets for both donated and purchased assets. We further recommend that expenses

be reviewed throughout the year to determine the appropriate classifications as a fixed asset or a repair and maintenance expenditure.

### **Revenue Recognition**

#### Finding:

During our audit procedures, the determination was made on the DHH grant that the revenue was for services provided and that revenue should be recognized as earned over the grant period. As the determination was made as a result of the audit, the appropriate entries were not made to properly reflect the recognition of income upon the earning of the revenue when services were provided. We recorded an adjusting entry which decreased the net income of the Association by approximately \$37,000.

#### Recommendation:

In an effort to present more accurate financial statements during the year, we recommend that controls be implemented to recognize revenue when earned. This would result in proper recognition of revenue and matching of expenditures. In addition, the Board would receive more accurate financial statements during the year so that it would be able to make more informed financial decisions.

### **Grant Revenues and Expenses:**

#### Finding:

During the audit, we noted instances for improvement related to grant revenues and expenses.

1. Four of the fifteen donations selected for testing did not have supporting documentation with the restriction or purpose of funds received noted.
2. The Association did not maintain reconciliation(s) for restricted funds received and related releases of restrictions (expenses applied) on a fiscal year basis.
3. Time records for employees' actual time providing services under various grants were not being maintained. Instead, salaries were charged to the grant for certain employees based on a predetermined or budgeted percentage instead of requiring all employees to maintain time sheets to document the actual time spent by these employees on each grant.

#### Recommendation:

We recommend that documentation of restrictions or purposes of donations be maintained on a consistent basis. We further recommend that procedures be implemented to track grant revenue and expenses on a fiscal year basis in addition to the reporting period of the grant. The reconciliation will ensure the accuracy of allocations to grants and aid in the determination of grant expenditures. The reconciliation should include an allocation of payroll and benefits charged to each grant, as well as expenditures, to ensure the accuracy of releases of restrictions.

Cost should be charged to grants based on actual time spent by each employee and the agreed upon pay rate in the contract. All employees should be required to keep timesheets indicating their actual hours worked

To the Board of Directors  
ALS Association Louisiana CIO  
September 11, 2009  
Page 3

by grant or program. In addition, only pay rates up to the maximum allowed by contract should be billed to a grant.

#### **Allocation of Time**

##### Finding:

During our audit, we noted that time spent on general and administrative services, patient services or fund raising was not documented for the time worked in each area.

##### Recommendation:

We recommend the Association establish a policy of recording time spent in various areas mentioned above. We recommend staff maintain their time worked for at least two months during the year (or representative sample) to support time charged and allocated among on general and administrative services, patient services and fund raising.

This report is intended for the Board of Directors, management, the Office of the Louisiana Legislative Auditor and any cognizant agency and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the legislative auditor as a public document and its distribution is not limited.

Respectfully submitted,

*Hannia T. Bourgeois, LLP*

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Kelly Hulson Viator, M.P.A.

September 16, 2009

Celeste D. Viator, CPA, Partner  
Hannis T. Bourgeois, LLP  
2322 Tremont Drive  
Baton Rouge, LA 70809

Re: Response to Management Letter, dated September 11, 2009

In response to the Management Letter Audit findings conducted by Hannis T. Bourgeois for the audit FYE 2009, I, Kelly H. Viator, Executive Director, and on behalf of The ALS Association Louisiana CIO Board of Directors, am in agreement accordingly:

**Fixed Assets**

During the process of the audit, the issue to a capitalization policy was discussed between the auditor and executive director. As a result, The ALS Association Board of Directors met at their quarterly meeting on July 22, 2009 and agreed to the following capitalization policy: Items less than \$500 will be expensed and items \$500 or greater will be capitalized. Procedures have been implemented to have fixed assets purchased for over \$500 recorded as a fixed asset and not to a cost of sales or expense account.

**Revenue Recognition**

Staff accepts the recommendation made by the auditor and will work to implement procedures that will better recognize revenue when earned, including proper recognition of revenue and matching of expenditures.

**Grant Revenues and Expenses:**

Staff accepts the recommendation made by the auditor and will work to implement procedures to track grant revenue and expenses on a fiscal year basis and that the restrictions or purposes of donations will be maintained on a consistent basis. Such procedures will include the details outlined by the auditor.

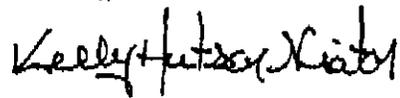


**Louisiana-Mississippi  
Chapter**

**Allocation of Time**

Staff accepts the recommendation made by the auditor and will implement a policy specific to time worked intended for the allocation of grant funding at the recommended time frame of at least two months during the year (or a representative sample) to support time charged and allocated to general and administrative expenses, patient services and fundraising.

Sincerely,



Kelly Hutson Viator

