

JUST ONE WORD INCORPORATED

REVIEW FINANCIAL STATEMENTS

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 4/21/10

Collins CPA Accounting & Consulting Services LLC

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**COLLINS CPA
ACCOUNTING &
CONSULTING SERVICES
L.L.C.**

INDEPENDENT ACCOUNTANT'S REPORT

The Board of Directors
Just One Word Incorporated
Baton Rouge, LA

We have reviewed the accompanying statement of financial position of **Just One Word, Incorporated** (a nonprofit organization) as of June 30, 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 the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of **Just One Word, Incorporated**.

A review consists principally of inquiries of **Just One Word, Incorporated's** 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, we do not express such an opinion.

Based on our review, we are 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.

Collins CPA Accounting & Consulting Services, LLC
Collins CPA, Accounting & Consulting Services, LLC

March 22, 2010



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JUST ONE WORD INCORPORATED
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

Assets

Current Assets:

Cash	\$ 11,443
Grants Receivable	72,432
Total Current Assets	<u>83,875</u>

Fixed Assets:

Vehicle	13,839
(Less Accumulated Depreciation)	(4,613)
Total Fixed Assets	<u>9,226</u>

Total Assets **\$ 93,101**

Liabilities & Net Assets

Current Liabilities:

Payables	\$ 100,990
Total Liabilities	<u>100,990</u>

Net Assets

Beginning Balance	16,101
Change in Net Assets	(23,990)
Total Net Assets	<u>(7,889)</u>

Total Liabilities & Net Assets **\$ 93,101**

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

JUST ONE WORD INCORPORATED
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Revenue and Support:

Grant Revenue	\$ 255,757
Other Income	408
Total Revenue and Support	<u>256,165</u>

Expenses:

Program Services	270,542
Supporting Services:	9,613
Total Expenses	<u>280,155</u>

Change in Net Assets (23,990)

Net Assets	16,101
Beginning of Year	<u>16,101</u>
End of Period	<u>\$ (7,889)</u>

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

JUST ONE WORD INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (23,990)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	4,613
Increase in grant receivables	(42,672)
Increase in accounts payable	71,230
Depreciation	
Net cash used in investing activities	<u>9,181</u>
Net decrease in cash and cash equivalents	8,181
Cash - July 1, 2008	<u>2,262</u>
Cash - June 30, 2009	<u>\$ 11,443</u>

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

JUST ONE WORD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

Just One Word Incorporated is a community based organization and one of its many purposes is to strengthen the family unit. The organization was birthed due to the realization that all an individual may need to turn his or her life around or get back on track is one word of encouragement, correction or love from someone. The organization makes attempts to combat family division due to finances and to eliminate the inability to manage family finances.

Just One Word Incorporated is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

Financial Statement Presentation

Just One Word Incorporated has adopted the provisions of Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations", which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to external (donor) imposed restrictions.

A description of the three net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues and expenses incurred in conducting the missions of **Just One Word Incorporated** are included in this category.

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor-imposed restrictions (capital improvements, etc.) have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.

At June 30, 2009, **Just One Word Incorporated** did not have any temporarily or permanently restricted net assets.

JUST ONE WORD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Cash and Cash Equivalents

Cash consist solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows. All deposits are secured by federal deposit insurance.

Fixed Assets

Fixed assets that exceed \$500 are recorded at cost (or fair market value for donated assets) and are depreciated using the straight-line method over the estimated useful lives of the related assets, which varies from three to five years.

Income Taxes

Just One Word Incorporated is a tax exempt corporation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal or state income taxes have been recorded in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

JUST ONE WORD INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
CONTINUED:

Fair Values of Financial Institutions

Generally accepted accounting principles require disclosure of fair value information about financial instruments for which it is practicable to estimate fair value, whether or not recognized in the statement of financial position. Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

NOTE 7 – CONTINGENCY

Just One Word Incorporated is the recipient of grant funds. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by grants are under the control and administration of **Just One Word Incorporated** and are subject to audit and/or review by the applicable funding sources. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

JUST ONE WORD INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Depreciation Expense	\$ 4,613	\$ -	\$ 4,613
Accounting Fees		5,129	5,129
Advertising	22		22
Auto Expense	14		14
Bank Service Fee		509	509
Books, subscriptions, reference	3,894		3,894
Business Registration Fees		350	350
Computer Expenses	279		279
Conference, Convention, Meeting	1,087		1,087
Contractual Services	43,592		43,592
Fees	216		216
Insurance	2,065		2,065
Janitorial Expenses		893	893
Meals & Entertainment	629		629
Operations - Other	46,896		46,896
Payroll Expenses	127,441		127,441
Postage, Mailing Service	284		284
Printing and Copying	254		254
Rent	7,473		7,473
Supplies	26,371		26,371
Telephone, Telecommunications		2,330	2,330
Training	200		200
Travel and Meetings - Other	5,213		5,213
Utilities		401	401
Total Expense	\$ 270,542	\$ 9,613	\$ 280,155

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

SUPPLEMENTARY INFORMATION

JUST ONE WORD INCORPORATED

**Independent Accountant's Report
On Applying Agreed Upon Procedures**

FOR THE YEAR ENDED JUNE 30, 2009

Collins CPA Accounting & Consulting Services LLC

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**COLLINS CPA
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L.L.C.**

INDEPENDENT ACCOUNTANT'S REPORT

The Board of Directors
Just One Word Incorporated
Baton Rouge, LA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of **Just One Word Incorporated**, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about **Just One Word Incorporated**'s compliance with certain laws and regulations during the period ended June 30, 2009 included in the accompanying *Louisiana Attestation Questionnaire*. Management of **Just One Word Incorporated** is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation 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 this report. Consequently, we 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.

Any **Just One Word Incorporated**'s federal award expenditures for all federal programs for the fiscal year follow:



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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES
(CONTINUED)**

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
<u>21ST Century Community Learning Center Program (21st CCKC)</u>	July 9, 2007 – June 30, 2010	84.287C	\$204,557
<u>Temporary Assistance for Needy Families – Children's Defense Fund – "Freedom School"</u>	January 1, 2008 – August 31, 2008 and January 1, 2009 – August 31, 2009	93.558	\$ 70,985
Total Expenditures			\$275,542

2. For each federal, state, and local award, we 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, we traced the 12 disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the 12 selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the 12 disbursements were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the 12 disbursements received approval from proper authorities.

We examined the check request forms attached to supporting documentation for each transaction selected for testing and noted that check request forms were not completed for all transactions selected for testing.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES
(CONTINUED)**

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed and noted that all transactions appear to have been allowed per compliance supplement and grant agreement, no exceptions noted.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements and noted no exceptions.

Reporting

We reviewed the previously listed disbursements for reporting requirements and noted no exceptions.

7. For the programs selected for testing in item (2) we determined that a close-out report was not required.

Open Meetings

8. We were unable to examine evidence indicating that agendas for meetings recorded in the minutes book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Budget

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

Just One Word Incorporated 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.

Prior Comments and Recommendations

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

In the agreed-upon procedures engagement for the year ended June 30, 2008, we reported the following recommendations:

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES
(CONTINUED)**

- Payments were made without approval from proper officials. Status: Unresolved;
- Require maintaining copies on file of posted signs advertising open meetings of the Board of Directors of Just One Word Incorporated. Status: Resolved;
- Obtain contracts for all professional services that are rendered to Just One Word. Status: Unresolved;
- Maintain a detailed inventory listing of all equipment. Status: Resolved; and
- Be able to properly classify workers as employees or independent contractors. Status: Resolved.

Other Matters

Pursuant to the requirement of Louisiana Statute R.S. 24:513 annual financial reports shall be completed within six (6) months of the close of an entity's fiscal year. Due to the illness of the director, **Just One Word Incorporated** was unable to have their review and attestation completed by the prescribed deadline.

It was also noted that certain expenditures were coded to the clearing account and not charged to the appropriate general ledger account. This matter was brought to the attention of management who indicated the expenses were for the 21st Century Program. It was reiterated to management that expenses should be allocated to the appropriate programs.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of **Just One Word Incorporated**, the Legislative Auditor (State of Louisiana), and the applicable state grantor 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.

Collins CPA Accounting & Consulting Services LLC
Collins CPA Accounting and Consulting Services LLC
CERTIFIED PUBLIC ACCOUNTANT

March 22, 2010

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

3/14/2010 (Date Transmitted)

Collins CPA Accounting and
Consulting Services, LLC
PO Box 1855
Harvey, LA 70059 (Auditors)

In connection with your review of our financial statements as of June 30, 2009 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 (date of completion/representation).

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 R.S. 42:1 through 42:13 (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 that may occur up to the date of your report.

3-16-10 Secretary Virgie Dan

3-16-10 Treasurer Virgie Dan

03/16/2010 President Jonathan W. Riley