

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven  
(A Component Unit)  
Audit Report  
For the Year Ended  
December 31, 2011**

**Talmadge E. Mitchel  
Certified Public Accountant  
A Professional Corporation**

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**Talmadge E. Mitchel  
Certified Public Accountant  
A Professional Corporation**

To the Board of Directors  
The Learning Haven  
Calvary Missionary Baptist Church  
Shreveport, Louisiana

**INDEPENDENT AUDITOR'S REPORT**

I have audited the accompanying statement of financial position of programs administered by The Learning Haven (a component unit) of Calvary Missionary Baptist Church of Shreveport, as of December 31, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Calvary Missionary Baptist Church of Shreveport – The Learning Haven's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The general purpose financial statements of Calvary Missionary Baptist Church taken as a whole were not audited. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of programs administered by The Learning Haven (a component unit) of Calvary Missionary Baptist Church of Shreveport as of December 31, 2011, 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*, I have also issued my report dated August 8, 2012 on my consideration of The Learning Haven's (a component unit) of Calvary Missionary Baptist Church of Shreveport internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of programs administered by The Learning Haven (a component unit) of Calvary Missionary Baptist Church of Shreveport. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Talmadge E. Mitchel  
Certified Public Accountant  
A Professional Corporation

August 8, 2012

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Statement of Financial Position  
December 31, 2011**

ASSETS	
Current Assets	
Checking/Savings	\$ 16,876.00
Accountants Receivable	<u>34,818.00</u>
Total Current Assets	51,694.00
Fixed Assets	
Furniture and Equipment	<u>18,684.00</u>
Total Fixed Assets	<u>18,684.00</u>
TOTAL ASSETS	<u><u>70,378.00</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Due to Church	35,575.00
Payroll Liabilities	18,726.00
Accrued Expenses	<u>38,742.00</u>
Total Current Liabilities	<u>93,043.00</u>
Total Liabilities	93,043.00
Net Assets	
Net Assets - Unrestricted	<u>(22,665.00)</u>
Total Net Assets	<u>(22,665.00)</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 70,378.00</u></u>

**The accompanying notes are an integral part of the financial statements**

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Statement of Activities  
For the year ended  
December 31, 2011**

Revenue and Support	
Local Government Grants	\$ 18,144.00
Local Federal Contracts	240,161.00
State Federal Contracts	492,350.00
Non-Profit Grants	10,000.00
Program Income	<u>13,606.00</u>
Total Revenue and Support	774,261.00
Expenses	
Program Services	<u>886,277.00</u>
Total Expense	<u>886,277.00</u>
Decrease in Net Assets	(112,016.00)
Net Assets, January 1, 2011	36,295.00
Prior Period Adjustment	<u>53,056.00</u>
Net Assets, December 31, 2011	<u><u>\$ (22,665.00)</u></u>

**The accompanying notes are an integral part of the financial statements**

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Statement of Functional Expenses  
For the year ended  
December 31, 2011**

	CAMP FREEDOM	Caddo Parish		Webster Parish		TOTAL
		21st Century Learning Centers	Summer Feeding Program	Supplemental Educational Services	Supplemental Educational Services	
<b>Expense</b>						
<b>Business Expenses</b>	\$ 82.00	\$ 2,541.00	\$ -	\$ 235.00	\$ -	\$ 2,858.00
<b>Contract Personnel &amp; Services</b>	35,060.00	246,988.00	74,639.00	144,590.00	57,142.00	558,419.00
<b>Facilities and Equipment</b>	5,000.00	30,711.00	16,364.00	16,633.00	356.00	69,064.00
<b>Operations</b>	6,978.00	49,650.00	62,645.00	23,824.00	7,844.00	150,941.00
<b>Incentives</b>	-		400.00	1,325.00	2,953.00	4,678.00
<b>Other Types of Expenses</b>	169.00	8,134.00	4,612.00	2,416.00	300.00	15,631.00
<b>Payroll Expenses</b>	-	78,489.00	-	-	-	78,489.00
<b>Travel and Meetings</b>	\$ 100.00	\$ 4,717.00	\$ 167.00	\$ 675.00	\$ 538.00	\$ 6,197.00
<b>Total Expense</b>	<b>\$ 47,389.00</b>	<b>\$ 421,230.00</b>	<b>\$ 158,827.00</b>	<b>\$ 189,698.00</b>	<b>\$ 69,133.00</b>	<b>\$886,277.00</b>

The accompanying notes are an integral part of the financial statements

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Cash Flow Statement  
For the year ended  
December 31, 2011**

OPERATING ACTIVITIES	
Decrease in Net Assets	\$(112,016.00)
Adjustments to reconcile Net Assets to net cash provided by operations:	
Decrease in Accounts Receivable	39,541.00
Increase in Due to Church	22,432.00
Increase in Payroll Liabilities	1,706.00
Accrued Expenses	<u>38,742.00</u>
Net cash provided by Operating Activities	<u>(9,595.00)</u>
Net cash increase for period	(9,595.00)
Cash at beginning of period	<u>26,471.00</u>
Cash at end of period	<u><u>\$ 16,876.00</u></u>

**The accompanying notes are an integral part of the financial statements**

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)  
Notes to the Financial Statements**

**Notes to the Financial Statements**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Calvary Missionary Baptist Church is a faith based organization incorporated under the laws of the State of Louisiana on March 26, 1998. The Organization established The Learning Haven as a component unit to administer contracts/grants to provide tutorial and educational support services to targeted persons or families in need. Funding from local and state contracts is utilized for this purpose.

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958(formerly SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. The Organization has elected to present a classified statement of financial position, under ASC 958; 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.

Uses of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Net Assets

Net Assets are included in one of the following three classes of net assets, depending on the presence and type of donor-imposed restrictions.

- *Unrestricted Net Assets* - Net Assets not subject to donor-imposed restrictions.
- *Temporarily restricted Net Assets* - Net assets subject to donor-imposed restrictions that may be met either by an action and/or through the passage of time. As of December 31, 2011 Net Assets included no temporarily restricted net assets.
- *Permanently restricted Net Assets* - Net Assets subject to donor-imposed restrictions that will not expire through the passage of time and/or an action. As of December 31, 2011, Net Assets included no permanently restricted net assets.

Economic Dependency

The Organization received approximately 64% of its federal funding from passed-through from the State of Louisiana, approximately 31% from passed-through from the Caddo Parish School System, and the Webster Parish School System, the remaining funding from non-profit grants and program income.

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)  
Notes to the Financial Statements**

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, program expenses are specifically identified with or allocated to the Agency's various functions. Expenses requiring allocation include services provided by the Agency's management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

Income Tax Status

The Agency is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization other than a private foundation under Section 509(a) (2).

**NOTE 2 - ACCOUNTS RECEIVABLE**

Accounts (grants) receivable are amounts due from the grantor awarding agency as reimbursement of costs incurred to provide the services defined and agreed upon in the contracts (grants). Management considers all receivables at December 31, 2011 to be collectible. Therefore an allowance for doubtful accounts has not been established.

The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport had the following Accounts (grants) Receivable at December 31, 2011:

	<u>Amount</u>
Webster Parish School System Supplemental Educational Services	\$ 10,800.00
Caddo Parish School System Supplemental Educational Services	<u>24,018.00</u>
	\$ <u>34,818.00</u>

**NOTE 3 - PROPERTY AND EQUIPMENT**

All acquisitions of property and equipment in excess of \$500.00 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture	5 years
Office equipment	3 years

**NOTE 4 - SUMMARY OF FUNDING**

The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport administered contracts for the year ending December 31, 2011 as follows:

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)  
Notes to the Financial Statements**

Note 5 - Summary of funding, continued,

		Revenues and Support at December 31, 2011
Louisiana Department Of Education		
21 <sup>st</sup> Century Community Learning Centers	\$	284,155.00
Caddo Parish School System		
Supplemental Education Services		167,751.00
Webster Parish School System		
Supplemental Education Services		72,410.00
State of Louisiana, Summer Feeding Program		207,970.00
Caddo Parish Commission Grant		18,144.00

In some cases, the contracts overlay the Organization’s fiscal year. In those cases, revenue and expenditures are recognized according to the Organization’s fiscal year. Contractual revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue as earned.

**NOTE 5 - COMMITMENTS**

The programs administered by the Calvary Missionary Baptist Church of Shreveport – The Learning Haven do not have any significant outstanding commitments as of December 31, 2011.

**NOTE 6 - CONTINGENCIES**

As of December 31, 2011, there were no matters relating to existing or possible litigation, questioned costs nor refunds of grant proceeds.

**NOTE 7 – PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was made to recognize revenue that had been previously recorded as a due to the church in 2009. The adjustment was appropriately recorded to unrestricted net assets.

**NOTE 7 - SUBSEQUENT EVENTS**

Events subsequent to December 31, 2011, through the date of this audit report have been evaluated. There were no matters requiring disclosure.

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2011**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
<b><i>Child Nutrition Cluster-Cluster</i></b>			
United States Department of Agriculture Pass- Through Programs From			
Louisiana Department of Education- Summer Food Service Program for Children	10.559		158,827
<b><i>Other Programs</i></b>			
Department of Education Pass-Through Programs From			
Caddo Parish School System-Twenty First Century Learning Centers - Supplemental Educational Services	84.287		189,698
LA Dept of Education-Twenty-First Century Community Learning Centers	84.287		421,230
Webster Parish School System-Twenty- First Century Learning Centers - Supplemental Educational Services	84.287		69,133
<i>Total Department of Education Pass-Through Programs</i>			<u>680,061</u>
<b><i>Total Other Programs</i></b>			<u>680,061</u>
<b><i>Total Expenditures of Federal Awards</i></b>			<u><u>838,888</u></u>

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Notes to the Schedule of Expenditures of Federal Awards  
December 31, 2011**

**Note A – Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards of the Learning Haven (a component unit of) Calvary Missionary Baptist Church has been prepared utilizing the accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in, the preparation of the general purpose financial statements.

**Note B - Sub recipients**

Of the federal expenditures presented in the schedule, Learning Haven (a component unit of) Calvary Missionary Baptist Church provided no federal awards to sub recipients.

**Talmadge E. Mitchel  
Certified Public Accountant  
A Professional Corporation**

To The Board of Directors  
The Learning Haven (A component unit of)  
Calvary Missionary Baptist Church of Shreveport  
Shreveport, Louisiana

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

I have audited the financial statements of programs administered by The Learning Haven (a component unit ) of Calvary Missionary Baptist Church of Shreveport (a faith based organization) as of and for the year ended December 31, 2011, and have issued my report thereon dated August 8, 2012. I conducted my 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**

Management of Learning Haven (a component unit of) Calvary Missionary Baptist Church is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Learning Haven's (a component unit of) Calvary Missionary Baptist Church internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Calvary Missionary Baptist Church of Shreveport - Learning Haven's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses and other deficiencies that I consider to be significant deficiencies.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 11-1, to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance. I consider the deficiencies described in the schedule of findings and questioned costs as items 11-2 and 11-3 to be significant deficiencies.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Learning Haven's (a component unit of) Calvary Missionary Baptist Church financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs and as item 10-4.

The Learning Haven's (a component unit of) Calvary Missionary Baptist Church responses to the findings identified in my audit are described in the accompany schedule of findings and questioned costs. I did not audit the responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of management, Learning Haven's (a component unit of) Calvary Missionary Baptist Church Calvary Board, others within the entity and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Talmadge E. Mitchel  
Certified Public Accountant  
A Professional Corporation  
August 8, 2012

**Talmadge E. Mitchel  
Certified Public Accountant  
A Professional Corporation**

Board of Directors  
The Learning Haven (A component unit of)  
Calvary Missionary Baptist Church of Shreveport  
Shreveport, LA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Compliance**

I have audited the compliance of The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport (a faith based organization) with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal program for the year ended December 31, 2011. The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of The Learning Haven's (a component unit of) Calvary Missionary Baptist Church of Shreveport management. My responsibility is to express an opinion on The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport compliance with those requirements.

As described in item 11-4 in the accompanying schedule of findings and questioned costs, The Learning Haven (a component unit of) Calvary Missionary Baptist Church did not comply with the requirement regarding reporting that is applicable to its 21<sup>st</sup> Century Learning Centers. Compliance with such requirements is necessary, in my opinion for the Learning Haven (a component unit of) Calvary Missionary Baptist Church to comply with the requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, The Learning Haven (a component unit of) Calvary Missionary Baptist complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2011.

**Internal Control over Compliance**

Management of The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport is responsible for establishing and maintaining effective internal controls over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In

planning and performing my audit, I considered The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of The Learning Haven (a component unit of) Calvary Missionary Baptist Church of Shreveport internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. I did not

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 10-4.

This report is intended solely for the information and use of management, The Learning Haven's (a component unit of Calvary Missionary Baptist Church of Shreveport) Board, others within the entity and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Talmadge E. Mitchel  
Certified Public Accountant  
A Professional Corporation  
August 8, 2012

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Schedule of Findings and Questioned Costs  
Section I – Summary of Auditor’s Report**

**Financial Statements**

Type of auditor’s report issued - Unqualified

Internal Control over financial reporting

Material Weaknesses identified  yes  no

Significant deficiencies identified  yes  no

Noncompliance material to financial Statements noted  yes  no

**Federal Awards**

Internal control over major program:

Material weakness (es)  yes  no

Significant deficiencies identified  yes  none reported

Type of auditor’s report issued on compliance for major programs  Unqualified  Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of OMB Circular A-133  yes  no

Major program identified

21<sup>st</sup> Century CFDA 84.287

Community Learning Center

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as a high risk auditee

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Section II – Financial Statement Findings**

**Item 11-1**

Criteria or specific requirement

Effective internal controls requires a separation of incompatible duties

Condition

In the year audited, the bookkeeper handled all of the accounting functions of the organization. These duties include but are not limited to recording transactions, receiving the bank statements, compiling payroll, and reconciling cash accounts.

Context

This finding was reported in the previous year and was obtained while obtaining an understanding of the internal controls of the organization.

Effect

Without proper segregation of duties, fraud or other material misstatements could occur during the administration of the Organization's programs, and not discovered by management in the normal course of business.

Cause

The Organization's management had not taken appropriate steps during the year to include additional personnel in its operations to provide for a proper separation of duties. The reason was that management had not had a chance to implement the auditor's prior year recommendation.

Recommendation

I recommend that management continue to progress toward implantation of the prior year audit recommendations. Those recommendations include assigning some other than the bookkeeper to compile payroll and critically reviewing the bank reconciliations, including that reconciliations are performed on a timely basis.

Views of responsible officials and planned corrective action

Contact Person Responsible: Pamela Jackson, Project Director

Corrective Action Plan: Management concurs with auditor's finding as noted. Management has implemented internal control processes which include cross training the bookkeeper and director to effectively and correctly assist each other in each job function to prevent any future non-compliance.

Anticipated Completion Date: By the end of FY12

**Calvary Missionary Baptist Church of Shreveport**  
**The Learning Haven (A Component Unit)**  
**Section II – Financial Statement Findings**

**Item 11-2**

Criteria

Ineffective oversight of those charged with governance

Condition

Those charged with governance do not take an active part in the Organization's financial reporting, performance reporting, or internal control. During the year audited, the Board of Directors did not meet on a regular basis to review financial reports and identify program risks. This is a prior year finding.

Effect

Since those charged with governance are not active in the Organization's financial reporting, performance reporting, or internal control, the chance for the Organization to experience fraud or other material misstatements exist. In addition, risk areas are not assessed or monitored.

Context

This information was obtained while examining the minutes of the Board of Directors and obtaining and understanding of the internal controls of the Organization.

Cause

The Board of Directors is only required to meet bi-annually. An examination of the minutes of the Board of Directors indicated that only one meeting was held during the year ended December 31, 2011.

Recommendation

I recommend that the Board of Directors obtain and review financial statements of the operations of the programs administered by the Organization. Also, the Board of Directors should meet at least on a quarterly basis to review program operations, review the Organization's internal controls, and make risk assessments.

Views of responsible officials and planned corrective action

Contact Person Responsible: Pamela Jackson, Project Director

Corrective Action Plan: Management concurs with auditor's finding as noted. Management will implement Quarterly meetings with the Board of Directors and provide said Board with financial statements of the programs administered by the Organization.

Anticipated Completion Date: 08/26/12

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Section II – Financial Statement Findings**

**Item 11-3**

Criteria

Timely Bank Reconciliations

Condition

Bank reconciliations were not performed in a timely manner during the year ended December 31, 2011.

Effect

Because the preparation of bank reconciliations was deferred for long periods, the value of controls over cash was reduced.

Context

This information was obtained while performing test of the cash accounts.

Cause

Management did not review monthly reconciliations as a requirement of the policies and procedures of the Organization.

Recommendation

I recommend that the cash accounts are reconciled on a monthly basis. I also recommend that management review, verify and document that the reconciliations were performed. In addition, someone other than the bookkeeper should obtain the bank statements and the bank reconciliations and compare the results to the book balances.

Views of responsible officials and planned corrective action

Contact Person Responsible: Lakesha Mosley, Bookkeeper

Corrective Action Plan: Management concurs with auditor's finding as noted. Management has implemented internal control processes that include assuring all accounts are reconciled on a monthly basis and that all reconciliations are checked and signed off by the Executive Director.

Anticipated Completion Date: Completed

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Section III – Federal Awards Findings and Questioned Costs**

**Item 11-4**

Criteria

Louisiana Revised Statute 24:513 require that an audited financial statement be submitted to the Legislative Auditor within six months of the close of the organization's fiscal year.

Condition

The Organization's fiscal year ended December 31, 2011 and was required to submit an audit report by June 30, 2012.

Questioned Costs

None

Effect

The Organization is not in compliance with State requirements.

Cause

The Organization contracted for audit services approximately 45 days prior to required submission date, however, the various corrections to the 2011 books of account was required, and delayed the commencement of the audit process.

Recommendation

The Organization should engage an auditor within 45 days of its year end.

Views of responsible officials and planned corrective action

Contact Person Responsible: Pamela Jackson, Project Director

Corrective Action Plan: Management concurs with auditor's finding as noted. Management will ensure audits are conducted and reported in a timely manner.

Anticipated Completion Date: 10/26/12

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)**

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2011**

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partially Corrective Action Taken
<b>Section I – Financial Statement Findings</b>				
10-01	12/31/2010	Effective internal controls requires a separation of incompatible duties	No	Management has implemented internal control processes which include cross training the bookkeeper and director to effectively and correctly assist each other in each job function to prevent any future non-compliance. To be completed by 12/31/2012
10-02	12/31/2010	Ineffective oversight of those charged with governance	No	Management will implement Quarterly meetings with the Board of Directors and provide said Board with financial statements of the programs administered by the Organization.
10-03	12/31/2010	Bank reconciliations were not performed in a timely manner.	Yes	The bookkeeper has begun to prepare the bank reconciliations in a timely manner.
10-04	12/31/2010	Ineffective control systems over payroll processing	Yes	Management began requiring personnel to complete a weekly time and attendance report in which the supervisor and Executive Director reviews and approves.

**Calvary Missionary Baptist Church of Shreveport  
The Learning Haven (A Component Unit)  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2011**

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partially Corrective Action Taken
<b>Section I – Federal Award Findings</b>				
10-05	12/31/2010	The approved budget specified rates of pay for staffing for personnel services. The rates of pay noted during the audit did not agree with the approved budget.	Yes	Management has taken steps to ensure that pay rates are in agreement with budgetary requirements.
10-06	12/31/2010	Louisiana Revised Statute 24:513 require that an audited financial statement be submitted to the Legislative Auditor within six months of the close of the organization’s fiscal year.	Partially	Management intends to contract its auditor within 45 days of the end of the fiscal year. Action to be taken for the year ending 12/31/2012