



Louisiana Association of Nonprofit Organizations

Financial Statements

December 31, 2007

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 8/6/08

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Louisiana Association of Nonprofit Organizations, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of Louisiana Association of Nonprofit Organizations, Inc. as of December 31, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the years 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 audits.

We conducted our audits 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 of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Louisiana Association of Nonprofit Organizations, Inc. as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years 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 a report dated June 12, 2008, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 read in conjunction with this report in considering the results of our audits.

Postlethwaite : Netterville

Baton Rouge, Louisiana
June 12, 2008

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006

ASSETS

	2007	2006
Cash and cash equivalents	\$ 1,217,915	\$ 1,210,870
Accounts receivable	243,409	25,426
Prepaid expenses	3,872	7,279
Furniture and equipment, net	25,211	23,471
Total assets	\$ 1,490,407	\$ 1,267,046

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 22,222	\$ 43,463
Payroll related liabilities	32,204	8,793
Deferred membership revenue	59,352	56,910
Total liabilities	113,778	109,166

NET ASSETS

Unrestricted	327,176	394,515
Temporarily restricted	1,049,453	763,365
Total net assets	1,376,629	1,157,880

Total liabilities and net assets	\$ 1,490,407	\$ 1,267,046
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The accompanying notes are an integral part of these statements.

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007		
	Unrestricted	Temporarily Restricted	Total
<u>REVENUES</u>			
Membership dues	\$ 177,633	\$ -	\$ 177,633
Publications	4,397	-	4,397
Sponsorships	64,500	-	64,500
Grant revenues	40,042	1,941,313	1,981,355
Program revenues	132,955	-	132,955
Contract revenues	201,725	-	201,725
In kind contributions	666,205	-	666,205
Contributions	44,173	-	44,173
Other revenues	61,430	-	61,430
Total revenues	1,393,060	1,941,313	3,334,373
Net assets released from restrictions	1,655,225	(1,655,225)	-
Total revenues and other support	3,048,285	286,088	3,334,373
 <u>EXPENSES</u>			
Program services	2,871,233	-	2,871,233
Support services	244,391	-	244,391
	3,115,624	-	3,115,624
 CHANGE IN NET ASSETS	 (67,339)	 286,088	 218,749
 NET ASSETS - beginning of period	 394,515	 763,365	 1,157,880
 NET ASSETS - end of period	 \$ 327,176	 \$ 1,049,453	 \$ 1,376,629

The accompanying notes are an integral part of these statements.

2006

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 143,232	\$ -	\$ 143,232
8,370	-	8,370
35,708	-	35,708
517,106	1,623,707	2,140,813
96,699	-	96,699
21,150	-	21,150
43,080	-	43,080
20,350	-	20,350
36,261	-	36,261
<u>921,956</u>	<u>1,623,707</u>	<u>2,545,663</u>
<u>1,067,263</u>	<u>(1,067,263)</u>	<u>-</u>
<u>1,989,219</u>	<u>556,444</u>	<u>2,545,663</u>
1,790,140	-	1,790,140
202,498	-	202,498
<u>1,992,638</u>	<u>-</u>	<u>1,992,638</u>
(3,419)	556,444	553,025
<u>397,934</u>	<u>206,921</u>	<u>604,855</u>
<u>\$ 394,515</u>	<u>\$ 763,365</u>	<u>\$ 1,157,880</u>

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007		
	Program Services	Support Services	Total
Annual conference	\$ 73,774	\$ -	\$ 73,774
Professional fees	986,747	8,398	995,145
Contributions	12,928	-	12,928
Depreciation	-	11,878	11,878
Dues and subscriptions	14,197	3,342	17,539
Sub-awards and subcontracts	230,550	-	230,550
Other	76,201	139,625	215,826
Payroll taxes and benefits	161,897	7,504	169,401
Postage and delivery	10,254	705	10,959
Printing, reproduction, and publications	79,106	3,676	82,782
Rent	122,578	738	123,316
Salaries	1,074,269	63,677	1,137,946
Telephone	28,732	4,848	33,580
Total expenses	\$ 2,871,233	\$ 244,391	\$ 3,115,624

The accompanying notes are an integral part of these statements.

2006

Program Services	Support Services	Total
\$ 65,008	\$ -	\$ 65,008
413,603	7,777	421,380
32,782	-	32,782
-	8,832	8,832
9,675	5,681	15,356
260,206	-	260,206
120,394	113,134	233,528
86,979	6,565	93,544
19,773	1,618	21,391
55,990	7,177	63,167
76,155	5,996	82,151
624,719	38,324	663,043
24,856	7,394	32,250
<u>\$ 1,790,140</u>	<u>\$ 202,498</u>	<u>\$ 1,992,638</u>

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 218,749	\$ 553,025
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,878	8,832
Decrease (increase) in accounts receivable	(217,983)	115,103
Decrease (increase) in prepaid expenses	3,407	(4,007)
Increase in deferred membership revenue	2,442	13,961
Decrease in accounts payable	(21,241)	(10,721)
Increase in payroll related liabilities	23,411	4,692
Net cash provided by operating activities	20,663	680,885
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of furniture and equipment	(13,618)	(22,476)
Net cash used in investing activities	(13,618)	(22,476)
Net increase in cash and cash equivalents	7,045	658,409
Cash and cash equivalents - beginning of period	1,210,870	552,461
Cash and cash equivalents - end of period	\$ 1,217,915	\$ 1,210,870

The accompanying notes are an integral part of these statements.

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of significant accounting policies**

Nature of activities

Louisiana Association of Nonprofit Organizations, Inc. (the Organization) was created in 1997 as a division of the Foundation for a Better Louisiana to provide essential services to other nonprofit organizations in an effort to help strengthen the nonprofit sector in Louisiana. On May 7, 1999, Louisiana Association of Nonprofit Organizations, Inc. was incorporated and became an independent entity.

The Organization's mission is to strengthen, promote, and build the capacity of Louisiana's nonprofit sector through education, advocacy, and member services. The organization accomplishes its mission through the following programs:

- technical assistance through publications, training, and technology such as the LANO web-site;
- Louisiana Standards for Excellence - ethics and accountability code;
- regional and statewide educational meetings on topics of importance to nonprofit organizations, including funding, public policy, and management related issues;
- Public Policy Initiative - training on public policy issues, advocacy, research, and publications;
- Long Term Recovery and Disaster coordination services;
- manuals and publications on management, training, and advocacy;
- periodic newsletters and other publications; and
- building the capacity of community and faith-based groups.

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 the reported amounts of assets and liabilities and disclosure 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.

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Basis of presentation

The 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 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.

Cash and cash equivalents

For purposes of reporting cash flows, cash includes cash in checking accounts, money market accounts, and highly liquid investments with original maturities of three months or less. At various times during the fiscal year, the Organization's cash balances exceeded the federally insured limits.

Accounts receivable

As of December 31, 2007 and 2006, all accounts receivable were considered collectible; therefore, no allowance for uncollectible accounts was established. Accounts are considered past due based on their contractual terms. Receivables are monitored by management during the year, and all accounts considered to be uncollectible are written off.

Furniture and equipment

Furniture and equipment are recorded at cost with depreciation being recorded using the straight-line method over the estimated useful lives of the assets (three to five years). Maintenance and repairs are charged to expense, while additions and improvements are capitalized. Donated property is recorded at its estimated fair value on the date of receipt, which is then treated as cost.

When assets are retired or disposed of, the costs and related accumulated depreciation are removed from the accounts and any resulting gains and losses are recognized in the Organization's yearly operations.

Deferred membership revenue

Membership dues, which are based on twelve month memberships, that are paid prior to December 31st for subsequent periods are recorded as deferred revenue at December 31st.

Temporarily and permanently restricted net assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time, period, or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. The Organization does not have any permanently restricted net assets.

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Contributions

The Organization accounts for contributions in accordance with the requirements of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All 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 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.

Grant reimbursements

The Organization recognizes revenues and receivables on reimbursable grants to the extent that expenses have been incurred.

Contributed services

The Organization recognizes revenue for certain services received at the estimated 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.

Income taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code. Accordingly, no provision for income taxes is necessary.

Allocated expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services based on records and estimates made by the Organization's management.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the current year presentation.

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

2. Furniture and equipment

Furniture and equipment consisted of the following at December 31, 2007 and 2006:

	2007	2006
Furniture and equipment	\$ 80,195	\$ 66,577
Less: accumulated depreciation	(54,984)	(43,106)
	\$ 25,211	\$ 23,471

Depreciation expense totalled \$11,878 and \$8,832, for the years ended December 31, 2007 and 2006, respectively.

3. Line-of-credit

The Organization obtained a \$25,000 unsecured operating line-of-credit at a local financial institution with a variable annual interest rate of prime (7.50% and 8.255% at December 31, 2007 and 2006, respectively). There was not an outstanding balance on this line-of-credit at either December 31, 2007 or 2006.

4. Temporarily restricted net assets

Temporarily restricted net assets at December 31, 2007 and 2006, were available for the following purposes:

	2007	2006
New Orleans	\$ 112,556	\$ 366,161
Baton Rouge Capacity Building	115,534	17,491
Louisiana Housing Alliance	-	24,363
Standards for Excellence	-	16,599
Post Hurricane Katrina Recovery - Lake Charles	-	6,664
Louisiana Budget Project	323,400	274,102
LANO - Northshore	33,009	-
LANO - North Louisiana	-	54,071
State Policy	103,766	-
Community Solutions	250,000	-
Community Development	89,914	-
Long Term Disaster Recovery	21,274	3,914
	\$ 1,049,453	\$ 763,365

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

5. Net assets released from restrictions

Net assets were released from donor restrictions by incurring program-related expenses satisfying the restricted purposes during the years ended December 31, 2007 and 2006, as follows:

	2007	2006
New Orleans	\$ 686,219	\$ 271,339
Baton Rouge Capacity Building	107,557	57,509
Louisiana Housing Alliance	49,363	75,637
Louisiana Budget Project	287,951	75,898
Standards for Excellence	71,850	23,222
LANO - North Louisiana	244,170	193,929
LANO - Northshore	41,991	-
Post Hurricane Recovery - Lake Charles	31,664	18,336
Public Policy and Advocacy	500	67,598
Community Development	5,086	-
State Policy	41,234	-
Long Term Disaster Recovery	87,640	273,595
Other	-	10,200
	\$ 1,655,225	\$ 1,067,263

6. Leases

The Organization has entered into various lease agreements for office space throughout the state. The majority of the leases are either on a month-to-month basis or have terms of twelve months or less. At December 31, 2007, future minimum lease payments for those leases with terms that extended beyond December 31, 2007, were as follows:

Year ended December 31,	Amount
2008	25,349
2009	21,124
	\$ 46,473

Rent expense totaled \$123,316 and \$82,151 for the years ended December 31, 2007 and 2006, respectively.

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

7. Employee benefits

The Organization sponsors a defined contribution retirement program for which it contributes 5% of the pay of all eligible employees. The program is available to all regular employees working 40 hours per week or more with at least two years of service. Eligible employees become 100% vested in their retirement plan when they reach two years of service with the Organization. Total contributions to this plan by the Organization totalled approximately \$31,505 and \$10,225 during the years end December 31, 2007 and 2006, respectively.

8. Donated services

In kind contributions recorded on the statements of activities for the years ended December 31, 2007 and 2006, included the following:

	<u>2007</u>	<u>2006</u>
Accenture - consulting services related to hurricane recovery	\$ 612,000	\$ -
Other	<u>54,205</u>	<u>43,080</u>
	<u>\$ 666,205</u>	<u>\$ 43,080</u>

**INDEPENDENT AUDITORS' 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
Louisiana Association of Nonprofit Organizations, Inc.
Baton Rouge, Louisiana

We have audited the basic financial statements of Louisiana Association of Nonprofit Organizations, Inc. (the Organization) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 12, 2008. 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 the Organization'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 Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 entity'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 weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Board of Directors and management of Louisiana Association of Nonprofit Organization, Inc., federal and state awarding agencies and the Louisiana Legislative Auditor 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.

Portlethwaite: Wetterville

Baton Rouge, Louisiana
June 12, 2008

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2007

A. Summary of audit results:

- (1) The Independent Auditors' Report expressed an unqualified opinion on the financial statements of Louisiana Association of Nonprofit Organizations, Inc. as of and for the year ended December 31, 2007.
- (2) No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's 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*.
- (3) No instances of noncompliance material to the financial statements of Louisiana Association of Nonprofit Organizations, Inc. were disclosed during the audit.
- (4) A management letter was not issued in connection with the current year audit.

B. Findings - financial statement audit:

- (1) None

LOUISIANA ASSOCIATION OF NONPROFIT ORGANIZATIONS, INC.
BATON ROUGE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2007

A. Findings - financial statement audit:

(1) None