

**LUTHER SPEIGHT & COMPANY, LLC***Certified Public Accountants and Consultants*

**THE LEARNING HAVEN  
(A Program of)  
CALVARY MISSIONARY BAPTIST CHURCH OF SHREVEPORT**

**FINANCIAL STATEMENTS AND ACCOMPANYING  
INDEPENDENT ACCOUNTANT'S REVIEW AND ATTESTATION REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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 OCT 30 2013

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## LUTHER SPEIGHT & COMPANY, LLC

*Certified Public Accountants and Consultants*

### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of  
the Learning Haven (A Program of) Calvary Missionary Baptist Church

We have reviewed the accompanying statement of financial position of the Learning Haven (a program of) Calvary Missionary Baptist Church as of December 31, 2012, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America.

Luther Speight & Company CPAs

August 23, 2013

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THE LEARNING HAVEN  
(A Program of) CALVARY MISSIONARY BAPTIST CHURCH  
Statement of Financial Position  
For The Year Ended December 31, 2012

<b>ASSETS</b>	
Current Assets	
Cash	\$ 5,521
Contracts Receivable	53,673
Total Current Assets	<u>59,194</u>
Furniture and Equipment, Net	<u>15,256</u>
<b>TOTAL ASSETS</b>	<b><u><u>74,450</u></u></b>
 <b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities:	
Accounts Payable and Accrued Expenses	26,202
Payroll Withholdings Payable	11,515
Due to Affiliated Organization	33,975
Total Current Liabilities	<u>71,692</u>
Net Assets:	
Unrestricted Net Assets	<u>2,758</u>
Total Net Assets	<u>2,758</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 74,450</u></u></b>

The accompanying footnotes are an integral part of the financial statements

THE LEARNING HAVEN  
(A Program of) CALVARY MISSIONARY BAPTIST CHURCH  
Statement of Activities  
For The Year Ended December 31, 2012

REVENUE AND SUPPORT	
Grant Income	\$ 411,945
Program Income	<u>102,041</u>
TOTAL REVENUE AND SUPPORT	<u>513,986</u>
EXPENSES	
Program Services	<u>488,563</u>
TOTAL EXPENSES	<u>488,563</u>
CHANGE IN NET ASSETS	<u>25,423</u>
NET ASSETS	
Beginning of the Year	<u>(22,665)</u>
End of the Year	<u><u>\$ 2,758</u></u>

The accompanying footnotes are an integral part of the financial statements

**THE LEARNING HAVEN**  
 (A Program of) **CALVARY MISSIONARY BAPTIST CHURCH**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2012**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ <u>25,423</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided from Operations	
Depreciation	6,228
Increase in Receivables	(18,857)
Decrease in Accrued Expenses	(12,540)
Decrease in Payroll Liabilities	<u>(7,209)</u>
Total Adjustments	<u>(32,378)</u>
Net Cash Provided/(Used) by Operating Activities	(6,955)
<b>Cash Flows from Investing Activities</b>	
Purchase of Equipment	<u>(2,800)</u>
Net Cash Provided/(Used) by Investing Activities	(2,800)
<b>Cash Flows from Financing Activities</b>	
Payments on Loans from Church	<u>(1,600)</u>
Net Cash Flows Provided/Used) by Financing Activities	<u>(1,600)</u>
Net Decrease in Cash	(11,355)
Cash at Beginning of Year	<u>16,876</u>
Cash at End of Year	<u><u>\$ 5,521</u></u>

The accompanying footnotes are an integral part of the financial statements

THE LEARNING HAVEN  
(A Program of) CALVARY MISSIONARY BAPTIST CHURCH  
Schedule of Functional Expenses  
For The Year Ended December 31, 2012

	21st Century Learning Centers <u>(Grant Funded)</u>	Summer Feeding Program <u>(Grant Funded)</u>	Supplemental Educational Services (Fee-for-Service Funded)	Camp Freedom (Church Funded)	Total Expenses
Contract Personnel & Service: \$	65,050	\$ 158,335	\$ 55,364	\$ 28,702	\$ 307,451
Facilities and Equipment	11,027	7,590	1,700	-	20,317
Operations	9,058	117,073	8,663	1,754	136,548
Payroll Expenses	16,651	-	-	-	16,651
Travel and Meetings	1,368	-	-	-	1,368
	<u>103,154</u>	<u>282,998</u>	<u>65,727</u>	<u>30,456</u>	<u>482,335</u>
Depreciation	-	-	-	6,228	6,228
Total Expenses	<u>\$ 103,154</u>	<u>\$ 282,998</u>	<u>\$ 65,727</u>	<u>\$ 36,684</u>	<u>\$ 488,563</u>

The accompanying footnotes are an integral part of the financial statements

**The Learning Haven**  
**(A Program of) Calvary Missionary Baptist Church of Shreveport**  
**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 program 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.

Use 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, 2012, 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, 2012, Net Assets included no permanently restricted net assets.

Economic Dependency

The Learning Haven received a substantial portion of its funding through federal funding from passed-through grants from the State of Louisiana. The Program also received funding from support received from the Calvary Missionary Baptist Church. The Program's continuance is highly dependent upon continued funding from these sources.

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

**NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Cont )**

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 Program's various functions. Expenses requiring allocation include services provided by the Program'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

As a Program operated by Calvary Missionary Baptist Church, the Learning Haven 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 - FURNITURE 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

The depreciation expense recorded for the year ended December 31, 2012 totaled \$6,228.

**NOTE 3 - 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, 2012.

**NOTE 4 - DUE TO AFFILIATED ORGANIZATION**

The Learning Haven financial statements for the prior year included an outstanding payable to Calvary Missionary Baptist Church totaling \$35,575. This balance was reduced during the current period to a level of \$33,975. This balance represents a related entity payable since the Learning Haven is a program operated by the Church.

**NOTE 5 - SUBSEQUENT EVENTS**

Events through August 23, 2013, which is the date this report was available for issuance have been evaluated. There were no matters requiring disclosure.



# LUTHER SPEIGHT & COMPANY, LLC

*Certified Public Accountants and Consultants*

## ATTESTATION REPORT

**The Learning Haven  
(A Program of) Calvary Missionary Baptist Church**

**Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

To the Management of The Learning Haven,

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Learning Haven (a program of Calvary Missionary Baptist Church), the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about the Learning Haven's compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying Louisiana Attestation Questionnaire. Management of the Learning Haven 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.

The Learning Haven's federal award expenditures for all federal programs for the fiscal year follow:

Federal, State, or Local Grant Name	Grant Year	CFDA No (if applicable)	Amount
<u>Summer Food Service Program for Children</u>	2012	10.559	282,998
<u>Twenty-First Century Community Learning Centers</u>	2012	84.287	103,154
<b>Total Expenditures</b>			<b>386,152</b>

2. For each federal, state, and local award, randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected

We selected a total of six (6) disbursements from both programs listed above for a total of twelve (12) disbursements

3. For the items selected in Procedure 2, trace the twelve (12) disbursements to supporting documentation as to proper amount and payee.

For Summer Food Service Program for Children, we examined supporting documentation for each of the six (6) selected disbursements and found that two (2) payments, Check 1628 and Check 1629, did not match the supporting documentation provided by the Learning Haven. Check 1629 in the amount of \$6,405 96 is a reimbursement to the Executive Director with receipt documentation totals of \$6,254 31, a difference of \$151 65. Check 1628 in the amount of \$12,194 03 represents payment to Calvary Missionary Baptist Church. However, the supporting documentation totaled \$12,885 86, a difference of \$691 03.

For Twenty-First Century Community Learning Centers Grant, we examined supporting documentation for each of the six (6) selected disbursements and found that payment was for the proper amount and made to the correct payee matching the supporting documentation

#### Management's Response

*Check 1629, according to our records, the check is exactly \$20.00 short and is listed as a underpayment. Check 1628, all of the receipts submitted were not allowed and not reimbursed*

4. For the items selected in Procedure 2, determine if the six disbursements are properly coded to the correct fund and general ledger account.

The six (6) disbursements from Summer Food Service Program for Children and the six (6) disbursements for the Twenty-First Century Program were coded to the correct fund and general ledger account.

5. For the items selected in Procedure 2, determine whether the disbursements received approval from proper authorities.

We examined six (6) disbursements from the 21<sup>st</sup> Century program and noted that three (3) did not have evidence of approval on the invoice documentation. However the canceled checks were signed by two authorized parties.

We examined six (6) non-payroll disbursements from the summer feeding program and noted that two (2) did not have evidence of approval on the invoice documentation. However the canceled checks were signed by two authorized parties.

#### Management's Response

*In accordance with our financial policies and procedures there is no requirement to have prior approval of disbursements that include food purchases, receipt reimbursements and recurring monthly payment (rent, lease payments, etc.) Single-item purchases or asset purchases in excess of \$1,500.00 are the only ones not exempt from this rule. ALL checks – disbursement are required to have two-parties to sign.*

6. For the items selected in Procedure 2 For federal awards, determine 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, determine whether the disbursements comply with the grant agreement, relating to

**Activities allowed or unallowed**

We reviewed the previously listed disbursements for types of services allowed or not allowed. All disbursements did comply with the allowability requirements and appeared necessary and reasonable in relation to the program objectives.

**Eligibility**

Individual participant eligibility requirements were not applicable.

**Reporting**

We reviewed the previously listed disbursements for reporting requirements. All disbursements comply with the reporting requirements and could be traced to the *Fund Request Summary provided to Louisiana Department of Education (Grants Management)*.

- 7 For the programs selected for testing in Procedure 2 that had been closed out during the period under review, compare the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

We reviewed the closeout reports prepared by The Learning Haven and noted that the reports appeared to be adequately prepared from source documents and in compliance with program requirements.

**Open Meetings**

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

We were not provided with documentation that supports that the Learning Haven publicly posted the board meeting notices and agendas in accordance with the open meetings law.

**Management's Response**

*The agendas and announcements were posted but not in accordance with the open meeting laws. Management will post agendas for all future meetings as required by R.S. 42:11 through 42:28.*

**Budget**

- 9 For all grants exceeding five thousand dollars, determine 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.

The Learning Haven provided budget revisions for the Program Fiscal Year May 1, 2011 to April 30, 2012 only for the Twenty-First Century Community Learning Center. The revised budget specified the anticipated uses of the fund, estimates of the duration of the project, and narrative for the revisions of the budget.

There was no budget provided for the Summer Food Program Service for Children.

**Management's Response**

*The anticipated use of funds budget for the Summer Feeding Program can be located on the CNP website for any given program and any given grant year. A copy of that budget is kept here on file and is being forwarded to your attention.*

**Prior Comments and Recommendations**

10. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Ref No	Fiscal Year Finding Initially Occurred	Description of Finding	Resolved/Unresolved
11-1	12/31/2011	Effective internal controls requires a separation of incompatible duties	Unresolved
11-2	12/31/2011	Ineffective oversight of those charged with governance	Unresolved
11-3	12/31/2011	Timely Bank Reconciliations	Unresolved
11-4	12/31/2011	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	Unresolved

**Management's Response**

*\*11-1 Effective internal controls requires a separation of incompatible duties As Corrective action of prior audit year Management implemented internal control process which included cross training the bookkeeper and director to effectively and correctly assist each other in each job function to prevent any future non-compliance issues.*

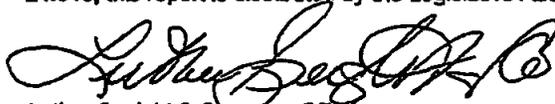
*11-2 Ineffective oversight of those charged with governance – A Statement of Assurances dated October 8, 2013 has been signed and submitted to the LDOE/ Louisiana State Auditors office stating that quarterly meetings will be held.*

*11-3 Timely Bank Reconciliations. – There is no full-time person or entity charged with this process A Statement of Assurances dated October 8, 2013 has been signed and submitted to the LDOE/ Louisiana State Auditors office stating that bank reconciliations*

*11-4 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 – There was every attempt of Management to adhere to the requirement to file a financial statement utilizing and relying heavily on the organization that submitted our Financial Information for FY2011 audit only to find out that the CPA was no longer an approved agent on the Louisiana Legislative Auditors list This information was never disclosed to us during this process, thus leaving our organization having to search and secure another CPA to complete the audit. Management will make every attempt to secure approved CPA and submit financial documents to the Louisiana Legislative Office in a timely fashion*

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 the Learning Haven (a program of Calvary Baptist Church, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/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.



Luther Speight & Company CPAs

August 23, 2013



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.

Mary A. Ray Secretary 8-20-2013 Date  
Mary A. Ray, Secretary

Willie Hawkins Treasurer 8-20-2013 Date  
Willie Hawkins, Treasurer

Cleveland White President 8-20-2013 Date  
Cleveland White, President