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HOMEBOISE COMMUNITY IMPROVEMENT ORGANIZATION, INC.

8088 RAMBO, LOUISIANA

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
FOR THE YEAR ENDED
MARCH 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, 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 22 1997

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HOUSING COMMUNITY IMPROVEMENT ORGANIZATION, INC.
NEW ORLEANS, LOUISIANA
MARCH 31, 1967

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MONROE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
HER BOUGE, LOUISIANA
MARCH 31, 1987

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September 11, 1997

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Morehouse Community Improvement Organization, Inc.,
New Orleans, Louisiana

We have audited the accompanying balance sheet of the Morehouse Community Improvement Organization, Inc., as of and for the year ended March 31, 1997, and the related statement of program revenues, expenditures and changes in fund balances for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Morehouse Community Improvement Organization, Inc., as of March 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Morehouse Community Improvement Organization, Inc. taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents and the accompanying Schedule of Federal Awards for the year ended March 31, 1997, are presented for purposes of additional analysis and are not a required part of the financial statements. Such

information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated September 11, 1997 on our consideration of the Merchants Community Improvement Organization's internal control structure and a report dated September 11, 1997 on its compliance with laws and regulations.

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Member of (Firm, CPA)
Member of (Firm, CPA)
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September 11, 1997

INDEPENDENT AUDITORS' REPORT ON THE
INTERNAL CONTROL STRUCTURE BASED ON AN
AIDSET OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors,
MorseHouse Community Improvement Organization, Inc.
New Orleans, Louisiana

We have audited the financial statements of MorseHouse Community Improvement Organization, Inc., as of and for the year ended March 31, 1997, and have issued our report thereon dated September 11, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of MorseHouse Community Improvement Organization, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of MorseHouse Community Improvement Organization, Inc. for the year ended March 31, 1997, we obtained an understanding of its internal control structure. With respect to the internal control structure, we obtained

We understand the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. We found that there is no written documentation for the hourly rates used for in-kind services such as speech therapy and doctor's visits. We recommend that the Agency obtain written documentation on all donated services.

Reply: The Executive Director agreed with this recommendation and intends to begin implementation.

2. The computer system is not always backed-up on a regular basis and access to the computer system is not controlled. We recommend that the computer system be backed-up on a regular basis and the backup to be kept off-site. We also recommend that access to the computer system be controlled by password.

Reply: The Executive Director agreed with this recommendation and intends to begin implementation.

3. We found that employee time cards are not signed by the employee nor their supervisor. We recommend that all time cards be signed by both employee and supervisor to assure proper controls.

Reply: The Executive Director Agreed with this recommendation and intends to begin implementation.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the use of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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September 13, 1997

**INDEPENDENT AUDITORS' REPORT ON THE
INTERNAL CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL AGENCIES**

To the Morehouse Community Improvement Organization, Inc.,
New Orleans, Louisiana

We have audited the financial statements of Morehouse Community Improvement Organization, Inc. as of and for the year ended March 31, 1997, and have issued our report thereon dated September 13, 1997. We have also audited the Agency's compliance with requirements applicable to major federal programs, and have issued our report thereon dated September 11, 1997.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Agency complied with laws and regulations, noncompliance with which would be material to a major federal program.

In planning and performing our audits for the year ended March 31, 1997, we considered Morehouse Community Improvement Organization, Inc.'s internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Agency's financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated September 11, 1997.

The management of Morehouse Community Improvement Organization, Inc. is responsible for establishing and maintaining an internal control system. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related

goals of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, and records properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal awards programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

Internal Accounting Controls (All Programs)

Cash Receipts	Payroll
Purchasing/Receiving	Property and Equipment
Accounts Payable	General Ledger
Cash Disbursements	

General and Specific Administrative Controls
Used in Administering Federal Programs

Political Activity	Services Allowed
Davis-Bacon Act	Facility Licensing Standards
Eligibility	Cost Allocation
Reporting (Federal)	Matching Levels
Financial Reports	Drug-Free Workplace
Civil Rights	Allowable Costs
Cash Management	Administrative Requirements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

During the year ended March 31, 1997, Warehouse Community Improvement Organization, Inc. expended 100% of its total federal awards under major programs.

We performed tests of controls, as required by OMB Circular A-110, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of Warehouse Community Improvement

organization, Inc.'s major Federal programs which are identified in the accompanying schedule of Federal awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention concerning significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Agency's ability to administer Federal awards programs in accordance with applicable laws and regulations.

1. We found that there is no written documentation for the hourly rates used for in-kind services such as speech therapy and doctor's visits. We recommend that the Agency obtain written documentation on all donated services.

Reply: The Executive Director agreed with this recommendation and intends to begin implementation.

2. The computer system is not always backed-up on a regular basis and access to the computer system is not controlled. We recommend that the computer system be backed-up on a regular basis and the back-up to be kept off-site. We also recommend that access to the computer system be controlled by password.

Reply: The Executive Director agreed with this recommendation and intends to begin implementation.

3. We found that employee time cards are not signed by the employees nor their supervisor. We recommend that all time cards be signed by both employee and supervisor to ensure proper controls.

Reply: The Executive Director agreed with this recommendation and intends to begin implementation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level of risk that noncompliance with laws and regulations that would be material to a Federal program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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September 11, 1987

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
 LAWS, REGULATIONS, CONTRACTS, AND GRANTS BASED ON AN
 AUDIT OF FINANCIAL STATEMENTS PERFORMED
 IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To Warehouse Community Improvement Organization, Inc.
 West Ridge, Louisiana

We have audited the financial statements of Warehouse Community Improvement Organization, Inc. as of and for the year ended March 31, 1987, and have issued our report thereon dated September 11, 1987.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Warehouse Community Improvement Organization, Inc. is the responsibility of Warehouse Community Improvement Organization, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Warehouse Community Improvement Organization, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Warehouse Community Improvement Organization, Inc. complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Warehouse Community Improvement Organization, Inc. had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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September 11, 1987

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**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS**

To the Warehouse Community Improvement Organization, Inc.
Mer Rouge, Louisiana

We have audited the financial statements of Warehouse Community Improvement Organization, Inc. as of and for the year ended March 31, 1987, and have issued our report thereon dated September 21, 1987.

We have also audited Warehouse Community Improvement Organization, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; reporting (Federal Financial Reports); claims for advances and reimbursements; facility licensing standards; cost allocations; and amounts claimed or used for matching that are applicable to each of its major federal programs, which are identified in the accompanying schedule of federal awards for the year ended March 31, 1987. The management of Warehouse Community Improvement Organization, Inc. is responsible for the Agency's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Standards of Institutions of Higher Education and Other Nonprofit Institutions. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Warehouse Community Improvement Organization, Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; reporting (Federal Financial Reports); claims for advances and reimbursements; facility licensing standards; cost allocation; and amounts claimed or used for matching that are applicable to each of its major federal programs for the year ended March 31, 1997.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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September 11, 1997

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL PROGRAMS**

To Morehouse Community Improvement Organization, Inc.
New Orleans, Louisiana

We have audited the financial statements of Morehouse Community Improvement Organization, Inc. as of and for the year ended March 31, 1997, and have issued our report thereon dated September 11, 1997.

We have applied procedures to test Morehouse Community Improvement Organization, Inc.'s compliance with the following requirements applicable to its federal programs, which are identified in the accompanying schedule of federal awards for the year ended March 31, 1997: political activity, Davis-Bacon Act, civil rights, cost accounting, eligibility, federal financial reports, drug-free workplace, allowable costs and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Requirement for Audit of Institutions of Higher Learning and Other Non-Profit Institutions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Morehouse Community Improvement Organization, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Morehouse Community Improvement Organization, Inc. had not complied, in all material respects, with these requirements.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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WORKHOUSE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
 NEW ORLEANS, LOUISIANA
 STATEMENT OF FINANCIAL POSITION
 MARCH 31, 1967

ASSETS

CURRENT ASSETS

Cash in Bank		69,781
Accounts Receivable		
grants	110,460	
Other	<u>1,735</u>	112,195
TOTAL CURRENT ASSETS		181,976

FIXED ASSETS

Furniture and Equipment (Net of Accumulated Depreciation)		141,575
--	--	---------

TOTAL ASSETS **323,551**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses		140,000
---------------------------------------	--	---------

TOTAL LIABILITIES **140,000**

NET ASSETS

Unrestricted Net Assets		
Operations	41,100	
Fixed Assets	<u>241,575</u>	282,675

TOTAL NET ASSETS - UNRESTRICTED **282,675**

TOTAL LIABILITIES AND NET ASSETS **323,551**

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

MONROE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
 NEW ORLEANS, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED MARCH 31, 1997

	<u>UNRESTRICTED</u>
<u>SUPPORT AND REVENUE</u>	
Support	
Grants	\$ 248,970
Interest Income - Grants	604
<u>TOTAL SUPPORT</u>	<u>2,248,604</u>
Revenue	
Meal Income	8,200
In-Kind Receipts	284,607
Other Income	2,133
<u>TOTAL REVENUE</u>	<u>286,010</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>2,534,614</u>
<u>EXPENSES</u>	
Program Services	
Head Start	1,250,319
Child care Food Program	140,320
<u>TOTAL PROGRAM SERVICES</u>	<u>1,390,639</u>
Support Services	
General and Administrative	145,991
<u>TOTAL EXPENSES</u>	<u>1,536,630</u>
<u>EXCESS REVENUES OVER EXPENSES</u>	4,022
<u>FROM PERIOD ADJUSTMENT</u>	<u>1,424</u>
<u>CHANGE IN NET ASSETS</u>	5,446
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>377,427</u>
<u>NET ASSETS - END OF YEAR</u>	<u>382,873</u>

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

MONROE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
 NEW ORLEANS, LOUISIANA
 STATEMENT OF FUNCTIONAL EXPENSES
 MARCH 31, 1967

	HEAD STAFF	CHIEF FOOD PROGRAM	TOTAL PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	TOTAL EXPENSES
Salaries	504,414	83,368	529,774	83,307	801,863
Fringes	176,028	1,813	177,841	33,810	211,792
TOTAL PERSONNEL	680,442	85,181	707,615	117,117	892,955
Travel	26,263	1,887	28,150	610	36,730
Supplies	36,752	2,848	41,599	10,143	51,782
Post	-	81,383	81,383	-	81,383
Conferences	1,770	688	2,458	7,400	8,816
Other Costs	124,829	51,323	186,152	12,977	279,251
Ir-Kind Expenses	284,402	-	284,402	-	284,402
TOTAL EXPENSES BEFORE DEPRECIATION	1,168,678	224,582	1,393,260	150,547	1,478,057
DEPRECIATION	83,438	1,322	72,765	8,428	78,153
TOTAL EXPENSES	1,252,116	225,904	1,466,025	158,975	1,558,210

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

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WORKFORCE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
 7084 FOUZE, LOUISIANA
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 1997

CASH FLOWS USED FOR OPERATING ACTIVITIES:

change in Net Assets	5,888
Adjustments to Reconcile Changes in Net Assets to Net Cash Used for Operating Activities:	
Depreciation	74,190
Decrease in Accounts Receivable	21,673
Decrease in Accounts Payable and Accrued Expenses	<u>(13,270)</u>
Net Cash Provided (Used) for Operating Activities	<u>88,355</u>

CASH FLOWS USED FOR INVESTING ACTIVITIES:

Purchase of Fixed Assets	<u>(85,185)</u>
Net Cash Provided (Used) for Investing Activities	<u>(85,185)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

	4,078
<u>CASH AND CASH EQUIVALENTS - MARCH 31, 1996</u>	<u>65,715</u>
<u>CASH AND CASH EQUIVALENTS - MARCH 31, 1997</u>	<u>69,793</u>

SUPPLEMENTAL DATA

Interest Paid	<u>-0-</u>
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The accompanying notes are an integral part of these financial statements.

WORKHOUSE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1967

NOTE 1 - Summary of Significant Accounting Policies

A. Statement of Presentation:

The accompanying financial statements have been prepared on the accrual basis and conform to generally accepted accounting principles for not-for-profit organizations - voluntary health and welfare organizations.

B. Organization:

Workhouse Community Improvement Organization, Inc. was organized to promote and develop economic opportunities for the people of Workhouse and West Carroll Parishes. The Agency is operated exclusively for charitable, educational, and scientific purposes. The main operation is a headstart program. The Agency is not a component unit of any other governmental organization.

C. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

D. Cash Equivalents:

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

E. Fixed Assets:

Fixed assets acquired by the Agency are considered to be owned by the Agency. However, State and Federal funding sources maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State and Federal governments have a reversionary interest in those assets purchased with its funds which have a cost of \$500 or more.

The Agency follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the estimated service lives of the assets.

HOUSHOUSE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
 NEW ORLEANS, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 MARCH 31, 1997

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1. Related Party Transactions:

There were no related party transactions for the year ended March 31, 1997.

NOTE 2 - Funding Policies and Sources of Funds

The Agency receives its monies through various methods of funding. Most of the funds are received on a grant basis from Federal, state and local sources. Under this method funds are received as needed or on a monthly or quarterly allocation of the total budget (grant) in advance of the actual expenditures. The Agency also receives funds as a reimbursement of actual expenditures, and upon a per unit of service provided method. The Agency also receives funds by contributions from both public and private sources.

Grants and contracts received for the period April 1, 1986 to March 31, 1997 are as follows:

<u>Funding Source</u>	<u>Amount Recognized</u>
Federal	
Department of Health and Human Services (includes \$656 of Interest Earned on Grant Funds)	1,138,493
Louisiana	
Department of Education	128,213

NOTE 3 - Grants Receivable

Grants receivable at March 31, 1997, consists of reimbursements for expenses incurred under the various grant programs. The following list presents grants receivable to fund at March 31, 1997.

Department of Education	2,933
Department of Health and Human Services	187,533
<u>Total</u>	<u>190,466</u>

NOTE 4 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

WAREHOUSE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 1987

NOTE 5 - In-Kind Contributions

The Agency received various in-kind contributions during the year from private and public sources. These contributions have been reported as revenues, and the offsetting expenses have been reported in the financial statements.

NOTE 6 - Income Tax Status

The Agency, a non-profit corporation, is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code.

NOTE 7 - Changes in Prior Period Adjustment

The prior period adjustment in the amount of \$1,624 in the Childcare Food Program is a reimbursement for a prior year questioned cost that was paid twice. The amount was reimbursed during the year ended March 31, 1987.

NOTE 8 - Accrued Leave

The Agency does not provide annual leave for its employees and therefore has no accrued annual leave.

NOTE 9 - Noncompliance Findings and Questioned Costs

The Agency receives funding/grants from various government agencies and such funding is subject to certain requirements and conditions. The items listed in the schedule of findings and questioned costs will be reviewed by the appropriate funding agency and a final resolution of the questioned costs will be made by such agency.

NOTE 10 - Financial Statement Presentation

The Agency has previously adopted the provisions of Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made and No. 117, Financial Statements of Not-for-Profit Organizations. Statement No. 116 requires the Agency to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows. Before adoption of FASB No. 116 and No. 117, the Agency presented financial information on the basis of funds and account groups as in accordance with governmental generally accepted accounting principles.

WAREHOUSE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 1991

NOTE 11 - Net Asset Adjustment

The Agency did not record depreciation expense on fixed assets in previous years. During the current fiscal year, the Agency elected to record depreciation on fixed assets. Beginning net assets was reduced by \$180,348 to reflect prior years unrecorded accumulated depreciation.

SUPPLEMENTARY FINANCIAL INFORMATION

MICHIGAN COMMUNITY IMPROVEMENT ORGANIZATION, INC.

NEW FOUND. LOCATIONS

COMBINING BALANCE SHEET - ALL PROGRAMS

FOR THE YEAR ENDED MARCH 31, 1967

	GENERAL	RECREATION	CHILDREN	FROM	TOTAL
	ASSETS	PROGRAMS	ASSETS AND	DEFERRED	ASSETS
			PROPERTY	DEPRECIATION	
					NET
<u>CURRENT ASSETS</u>					
Cash	38	17,371	81,378	-	128,787
Accounts Receivable - Grants	-	107,533	2,850	-	110,383
Accounts Receivable - Other	-	882	793	-	1,675
Due From Other Funds	-	14,481	-	(14,481)	-
<u>TOTAL CURRENT ASSETS</u>	<u>38</u>	<u>133,267</u>	<u>85,021</u>	<u>-</u>	<u>311,515</u>
<u>FIXED ASSETS AND DEFERRED</u>					
Buildings and Equipment at Cost, less	-	-	-	241,552	241,552
<u>TOTAL ASSETS</u>	<u>38</u>	<u>133,267</u>	<u>85,021</u>	<u>241,552</u>	<u>552,132</u>
<u>LIABILITIES</u>					
Accounts Payable and Accrued Expenses	-	158,408	13,566	-	171,974
Due to Other Funds	-	12,862	1,817	(14,681)	-
<u>TOTAL LIABILITIES</u>	<u>-</u>	<u>171,270</u>	<u>15,383</u>	<u>(14,681)</u>	<u>171,972</u>
<u>NET ASSETS</u>	<u>38</u>	<u>161</u>	<u>69,638</u>	<u>-</u>	<u>380,540</u>
Deferred Net Assets	-	-	-	241,552	241,552
Operational	-	-	-	-	-
Fixed Assets and Property	-	-	-	-	-
<u>TOTAL NET ASSETS</u>	<u>38</u>	<u>161</u>	<u>69,638</u>	<u>-</u>	<u>380,540</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>38</u>	<u>133,267</u>	<u>85,021</u>	<u>241,552</u>	<u>552,132</u>

WINDSOR COMMUNITY IMPROVEMENT ORGANIZATION, INC.
 HER FORD, MICHIGAN

STATEMENT OF RECEIPTS, EXPENDITURES AND CHANGES IN NET ASSETS - (CONTINUED SHEETS)
 FOR THE YEAR ENDED MARCH 31, 1997

	CURRENT	PREVIOUS	PERMANENT	COLLEGE	FIXED	TOTAL
	ASSETS	ASSETS	FUND	FOOD	ASSETS	COMBINATION
			AMOUNT	PROGRAM		ASSETS
STARTING NET ASSETS						
Grants - NW	-	-	1,107,750	-	-	1,107,750
Grants - WCA Food Recovery	-	-	-	128,217	-	128,217
Land Receipts	-	-	-	9,283	-	9,283
In-Kind Contributions	-	-	284,892	-	-	284,892
Retirement	-	-	454	-	-	454
Other	-	-	2,123	-	-	2,123
TOTAL STARTING NET ASSETS	-	-	1,485,149	237,500	-	1,722,649
EXPENSES						
Salaries	-	-	387,721	23,590	-	411,311
Relief Benefits	-	-	128,428	1,813	-	130,241
Taxes	-	-	38,273	1,987	-	40,260
Construction	-	-	8,276	600	-	8,876
Supplies	-	-	48,888	2,848	-	51,736
Other Costs	38	38	127,386	13,315	-	176,139
Food	-	-	-	95,288	-	95,288
Capital Outlay	-	-	75,949	6,246	-	82,195
In-Kind Expenditures	-	-	384,883	-	-	384,883
Depreciation	-	-	-	-	23,160	23,160
TOTAL EXPENSES	38	38	1,425,341	238,579	23,160	1,688,178
NET ASSETS - END OF YEAR	(38)	(38)	69,808	(1,079)	(23,160)	65,531
NET ASSETS - END OF YEAR	66	66	(881)	43,517	333,446	375,428
ASSOCIATED REVENUES	-	-	-	(81,182)	(81,182)	(81,182)
NET ASSETS - END OF YEAR	28	28	(773)	(40,189)	252,264	211,200

NONPROFIT COMMUNITY IMPROVEMENT ORGANIZATION, INC.
 NEW ORLEANS, LOUISIANA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED MARCH 31, 1987

FEDERAL GRANTOR/ FEDERAL AGENCY/ PROGRAM TITLE	Federal Grant Amount	Pass-Through Grantor's Share	Program of Award Amount	Receipts or Revenue Accrued	Statement of Expenditures
Department of Agriculture State of Louisiana/Department of Education • Child Care Food Program FYE September 30, 1987	22,222	8/1	188,174	126,227	126,227
Department of Health and Human Services Food Stamp Food Stamp	22,400	8/1	1,138,400	1,138,400	1,138,400
TOTAL FEDERAL GRANTS				1,264,627	1,264,627

Major Federal Program

WAREHOUSE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
NEW ORLEANS, LOUISIANA
COMPENSATION TO BOARD MEMBERS
FOR THE YEAR ENDED MARCH 31, 1997

No compensation was paid any board member during the year under audit.

MOOREHEAD COMMUNITY IMPROVEMENT ORGANIZATION, INC.
MOOR ROUGE, LOUISIANA
QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 1997

There were no questioned costs found for the year ended March 31, 1997.

WAREHOUSE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
NEW ORLEANS, LOUISIANA
FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTIONS - CURRENT YEAR
FOR THE YEAR ENDED MARCH 31, 1997

There were no compliance findings for the year ended March 31, 1997.

MONROE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
MONROE, LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
MARCH 31, 1997

Prior Year Finding - Internal Control: Only one person was trained in all accounting and computer applications with no rotation of duties.

Corrective Action: Management has implemented a plan to begin a rotation of duties for all accounting staff. All accounting staff will now be trained in all areas of accounting and computer applications.

Prior Year Finding - Internal Controls: The fixed asset list was not updated at the end of the year.

Corrective Action: The Agency has updated the fixed asset list for the year-end and has tagged all assets with identification numbers.

Prior Year Finding - Internal Controls: The accounting department does not print a general ledger on a monthly basis.

Corrective Action: The accounting department now prints a general ledger on a monthly basis.

Prior Year questioned Cost: An invoice in the amount of \$1,624 was paid twice.

Corrective Action: The amount of the invoice was reimbursed to Roadstart during the year ended March 31, 1997.

Prior Year Finding - Noncompliance: The Agency has not fully developed policies or procedures to determine if wages paid by subcontractors or contractors met prevailing wage determinations under Davis-Bacon requirements.

Corrective Action: The Agency has implemented policies and procedures to ensure that the requirements of Davis-Bacon are met on all work performed by subcontractors or contractors.

WAREHOUSE COMMUNITY IMPROVEMENT ORGANIZATION, INC.
NEW ORLEANS, LOUISIANA
EXIT CONFERENCE
March 21, 1997

An exit conference was held on September 11, 1997. Those in attendance were Ronald H. Perry, CPA; the Executive Director; the Fiscal Officer; the Board Chairman and the Policy Council Chairman.

We reported that we did not discover any material weaknesses in internal control but did discover minor weaknesses in internal control. Such findings have been reported on pages 4 and 6.

The officials of Warehouse Community Improvement Organization, Inc. received our findings and recommendations favorably and have taken action to implement the recommendations.