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12TH WARD SAVE OUR COMMUNITY ORGANIZATION

**FINANCIAL AND COMPLIANCE AUDITS
 TOGETHER WITH
 INDEPENDENT AUDITOR'S REPORT
 FOR THE YEARS ENDED JUNE 30, 1995**

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Release Date 9-4-96



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
12th Ward Save Our Community Organization, Inc.

I have audited the accompanying balance sheet of 12th Ward Save Our Community Organization, Inc., (12WSOCO) as of June 30, 1995, and the related statement of operations and changes in fund balances for the twelve month period then ended. These financial statements are the responsibility of 12WSOCO's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing by 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 12th Ward Save Our Community Organization, Inc., as of June 30, 1995, and the changes in financial position for the twelve month period then ended, in conformity with generally accepted accounting principles.

Michelle Diaz, CPA
Michelle Diaz, CPA
New Orleans, LA

December 15, 1995

12TH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

BALANCE SHEET
JUNE 30, 1995

ASSETS

Current Assets

Cash

\$ 51,916

Total Current Assets

51,916

Long-Term Assets

Equipment (Note 3)

79,557

Total Assets

\$ 131,473

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LIABILITIES AND FUND BALANCE

Current Liabilities

Accrued Payroll & Accrued Payroll Taxes

\$ 1,242

Accounts Payable

2,118

Due To City Program Fund

4,750

Total Liabilities

\$ 8,110

Fund Balance

General Fund Balance-Beginning of Year

\$ 79,721

Current Year Excess Revenue Over Expenditures

43,642

General Fund Balance-End of Year

\$ 123,363

Total Liabilities and Fund Balance

\$ 131,473

=====

The accompanying notes are an integral part of this financial statement.

12TH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

STATEMENT OF OPERATIONS
AND
CHANGES IN FUND BALANCES
FOR THE TWELVE MONTHS ENDED JUNE 30, 1995

SUPPORT AND REVENUE	
Grant Revenue	\$513,277
Total Revenue	<u>\$513,277</u>
EXPENSES	
Salaries	\$272,104
Payroll Taxes	23,088
Professional Fees	31,650
Repairs & Maintenance	2,159
Rent	16,300
Contractual Services	48,553
Telephone	10,991
Educational Materials	5,053
Office Supplies	16,894
Janitorial	5,978
Other Expenses	16,991
In-State Travel	4,607
Insurance	5,601
Utilities	9,666
Total Expenses	<u>\$469,635</u>
Excess (deficiency) of support and revenue over expenses	\$ 43,642
Fund balance, beginning of year	79,721
Fund balance, end of year	<u>\$123,363</u>

The accompanying notes are an integral part of this financial statement.

12TH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Notes to the Financial Statements
For the Twelve Months Ended June 30, 1995

NOTE 1 - Background and General Data

The 12th Ward Save Our Community Organization, Inc. (hereafter referred to as 12WSOCO) is a non-profit entity comprised of four community-based programs, as follows:

Save Our Community Organization
Training & Community Organization
Homemaker's Program
Senior's Center

12WSOCO was funded by grants received from the State of Louisiana's Governor's Office of Urban Affairs.

NOTE 2 - Summary of Significant Accounting Principles

The financial statements of 12WSOCO are prepared on the accrual basis of accounting. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

Grant Budget

12WSOCO received grants from the State of Louisiana's Governor's Office of Urban Affairs in the amount of \$513,277 during the audit period.

At the close of the grant period, June 30, 1995, a total of \$469,635 of allowable expenses under the grant agreement had been incurred.

Income Taxes

12WSOCO is exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

12TH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Notes to the Financial Statements
For the Twelve Month Period Ended June 30, 1995
(continued)

NOTE 3 - Equipment

Equipment used in the operations of 12WSOCO were purchased with grant funds. No depreciation has been provided on equipment.

NOTE 4 - Building Leases

12WSOCO executed a building lease agreement with the Halpern Company for the building which it occupies at 1428 Terpsichore in New Orleans. Lease payments for this space totaled \$14,000 for the audit period. Additionally, 12WSOCO entered into a rental agreement with the City of New Orleans for space at its Broadmoor Multi-Service Center located at 3601 Gen. Taylor St. in New Orleans. Lease payments for this space totaled \$2,300 for the audit period.

NOTE 5 - Contingency

12WSOCO is a recipient of a State of Louisiana grant. The grant is governed by various State guidelines, regulations, and contractual agreements.

The administration of the program and activities funded by the grant is under the control and administration of 12WSOCO and is subject to audit and/or review by the applicable funding source. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.



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**INDEPENDENT AUDITOR'S REPORT
ON THE INTERNAL CONTROL STRUCTURE BASED
ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GAS**

To the Board of Directors
12th Ward Save Our Community Organization, Inc.

I have audited the financial statements of 12th Ward Save Our Community Organization, Inc. (hereafter referred to as 12WSOCO) for the twelve month period ended June 30, 1995, and have issued my report thereon dated December 15, 1995.

I conducted my audit in accordance with generally accepted auditing standards (GAAS), "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 management of 12WSOCO 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 safeguard 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.



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**INDEPENDENT AUDITOR'S REPORT
ON THE INTERNAL CONTROL STRUCTURE BASED
ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GAS**

(Continued)

In planning and performing our audits of the financial statements of 12WSOCO, for the year ended June 30, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assesses control risk in order to determine auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

A material weakness is a 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 the risk that errors or irregularities in amounts 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

However, I noted certain matters involving the internal control structure and its operation that we have reported to management in a separate letter dated December 15, 1995.

This report is intended for the information of 12WSOCO's board of directors, management and the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Michelle Diaz, CPA
Michelle Diaz, CPA
December 15, 1995



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
12th Ward Save Our Community Organization

I have audited the financial statements of 12th Ward Save Our Community Organization (hereafter referred to as 12WSOCO) as of and for the twelve months ended June 30, 1995, and have issued my report thereon dated December 15, 1995.

I conducted my 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 I 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 12WSOCO is the responsibility of 12WSOCO's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of 12WSOCO compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no immaterial instances of noncompliance that are required to be reported under Government Auditing Standards. However, the results of our procedures disclosed an immaterial instance of noncompliance, which is described in the accompanying schedule of findings and questioned costs.

This report is intended for the information of 12WSOCO's board of directors, management and the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Michelle Diaz, CPA
Michelle Diaz, CPA
New Orleans, Louisiana
December 15, 1995