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**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**FINANCIAL STATEMENTS  
AND  
REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANT**

**December 31, 1999**

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 8-2-00

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

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# Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Central City Economic Opportunity Corporation

I have audited the accompanying statement of financial position of Central City Economic Opportunity Corporation (a nonprofit corporation) as of December 31, 1999 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Central City Economic Opportunity Corporation'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, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central City Economic Opportunity Corporation as of December 31, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued reports dated June 7, 2000, on my consideration of Central City Economic Opportunity Corporation's internal control structure over financial reporting and my test of its compliance with laws, regulations, contracts and grants.

My audit was made for the purpose of forming an opinion on the basic financial statements of the Central City Economic Opportunity Corporation as a whole. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Central City Economic Opportunity Corporation. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Central City Economic Opportunity Corporation. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Justin J. Scanlan, CPA*

New Orleans, Louisiana  
June 7, 2000

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MEMBER

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 1999**

**ASSETS**

		<b>MEMORANDUM ONLY</b>
		<u>December 31, 1998</u>
Cash (Note F)	\$ 79,962	\$ 28,078
Receivables		
Grants (Notes A5 and B)	65,775	78,019
Other	1,585	3,213
Inventory (Note C)	591	154
Land, property and equipment – at cost (Note A4)		
Furniture and equipment	21,752	21,752
Transportation equipment	<u>107,312</u>	<u>107,312</u>
	129,064	129,064
Less accumulated depreciation	<u>&lt;129,064&gt;</u>	<u>&lt;129,064&gt;</u>
	-	-
Land	<u>8,000</u>	-
	<u>8,000</u>	-
Real estate held for resale	15,000	-
Undivided interests – real estate (Note D)	<u>-</u>	<u>-</u>
Total assets	<u>\$ 170,913</u>	<u>\$ 109,464</u>

**LIABILITIES AND NET ASSETS**

Note payable (Note E)	\$ 14,358	\$ -
Accounts payable and accrued liabilities	31,071	27,604
Accrued vested annual leave benefits	36,724	23,646
Due to funding source	7,899	7,149
Program advance	3,690	22,141
Commitment (Note G)	<u>-</u>	<u>-</u>
Total liabilities	93,742	80,540
Net assets		
Unrestricted	43,483	8,810
Temporarily restricted	<u>33,688</u>	<u>20,114</u>
Total net assets	<u>77,171</u>	<u>28,924</u>
Total liabilities and net assets	<u>\$ 170,913</u>	<u>\$ 109,464</u>

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

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**STATEMENT OF ACTIVITIES**

**For the year ended December 31, 1999**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY</u>	
			<u>FOR THE YEAR ENDED DECEMBER 31, 1999</u>	<u>FOR THE YEAR ENDED DECEMBER 31, 1998</u>
<b>REVENUES</b>				
Government grants (Note F)	\$ -	\$ 1,049,924	\$ 1,049,924	\$ 1,047,167
Contributions	32,450	-	32,450	5,840
Interest income	1,048	-	1,048	9
Fund-raising, net of direct costs of \$2,211	3,556	-	3,556	3,591
Other income	24,246	-	24,246	2,675
Net assets released from restrictions	<u>1,036,350</u>	<u>&lt;1,036,350&gt;</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>1,097,650</u>	<u>13,574</u>	<u>1,111,224</u>	<u>1,059,282</u>
<b>EXPENSES</b>				
Salaries	531,234	-	531,234	480,501
Fringe benefits	102,832	-	102,832	92,033
Travel	4,604	-	4,604	2,637
Operating services	114,052	-	114,052	131,137
Supplies	110,699	-	110,699	100,645
Professional services	139,009	-	139,009	194,103
Capital outlay	36,257	-	36,257	20,986
Other costs	<u>24,290</u>	<u>-</u>	<u>24,290</u>	<u>61,662</u>
<b>TOTAL EXPENSES</b>	<u>1,062,977</u>	<u>-</u>	<u>1,062,977</u>	<u>1,083,704</u>
Increase <decrease> in net assets	34,673	13,574	48,247	<24,422>
Net assets, beginning of year	<u>8,810</u>	<u>20,114</u>	<u>28,924</u>	<u>53,346</u>
Net assets, end of year	<u>\$ 43,483</u>	<u>\$ 33,688</u>	<u>\$ 77,171</u>	<u>\$ 28,924</u>

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

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**STATEMENT OF CASH FLOWS**

**For the year ended December 31, 1999**

Increase <decrease> in cash and cash equivalents		
Cash flow from operating activities:		
Increase in net assets		\$ 48,247
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:	\$ 12,244	
Decrease in grants receivable	1,628	
Decrease in other receivables	<437>	
Increase in inventory		
Increase in accounts payable and accrued liabilities	3,467	
Increase in accrued vested annual leave benefits	13,078	
Increase in due to funding source	750	
Decrease in program advance	<18,451>	<u>12,279</u>
Net cash provided by operating activities		<u>60,526</u>
Cash flows from financing activities:		15,000
Proceeds from note payable		<642>
Payments on note payable		<u>14,358</u>
Net cash provided by financing activities		
Cash flows from investing activities:		<8,000>
Acquisition of land		<15,000>
Acquisition of real estate held for resale		<u>&lt;23,000&gt;</u>
Net cash used in investing activities		
Net increase in cash and cash equivalents		51,844
Cash and cash equivalents, beginning of year		<u>28,078</u>
Cash and cash equivalents, end of year		<u>\$ 79,962</u>

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

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 1999**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**1. Nature of Activities**

Central City Economic Opportunity Corporation was organized to promote and develop economic opportunity to those in need of increased economic opportunity; to promote the education and welfare of the people of the community; and to form special interest groups as it seems necessary to solve special problems of the community.

**2. Presentation of Financial Statements**

The corporation financial statements are presented in accordance with requirements established by Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations," dated June 1993. Accordingly, the net assets of the corporation are reclassified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

**3. Revenue Recognition**

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Grant revenue is recognized as it is earned in accordance with approved contracts.

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 1999**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**4. Land, Property and Equipment**

Central City Economic Opportunity Corporation records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

**5. Receivables**

The corporation considers accounts receivable to be fully collectable since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

**6. Cash Equivalents**

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

**7. 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.

**8. Fair Values of Financial Investments**

Cash, and cash equivalent amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments.



**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 1999**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**9. Total Columns of Combined Statements - Overview**

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE B - GRANTS RECEIVABLE**

The grants receivable at December 31, 1999 consist of the following:

City of New Orleans	\$ 43,768
State of Louisiana - Division of Alcohol and Drug Abuse	13,291
State of Louisiana - Department of Education	<u>8,716</u>
	<u>\$ 65,775</u>

**NOTE C - INVENTORY**

Inventory consists of food purchased in connection with the Child Care Food Program and is accounted for on the first-in, first-out (FIFO) basis.

**NOTE D -- UNDIVIDED INTERESTS -- REAL ESTATE**

In 1997, Central City Economic Opportunity Corporation and Central City Housing Development Corporation formed a joint venture to revitalize the Dryades Street Corridor through purchase and development of the Handleman building. The Handleman building was acquired in, December, 1997, as the initial phase of the revitalization. As of December 31, 1999, the financial position of the joint venture is as follows:

Land and Building	\$ 270,000
Note payable - bank, 0% interest, due July, 2000	<u>&lt; 270,000 &gt;</u>
	<u>\$ -</u>

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 1999**

**NOTE E – NOTE PAYABLE**

The note payable at December 31, 1999 consists of the following:

Note payable at bank, a \$15,000 revolving line of credit, at a 9% interest rate. The note is collateralized by a cash account totaling \$15,000. \$ 14,358

The interest paid during the year ended December 31, 1999 totaled \$808.

**NOTE F - SUMMARY OF FUNDING**

The Central City Economic Opportunity Corporation funding for grants and contracts consists of the following:

<u>Grants</u>	<u>Period</u>	<u>Revenue Recognized</u>
Central City Day Care Services	1/1/99-12/31/99	\$ 79,013
Senior Citizens Program	1/1/99-6/30/99 7/1/99-12/31/99	42,146 42,146
Head Start Program	1/1/99-12/31/99	376,538
Multi Media Center	1/1/99-6/30/99 7/1/99-12/31/99	106,174 97,622
Food Service Program	1/1/99-9/30/99 10/1/99-12/31/99	36,951 14,446
Audit	-	2,300
Camp Head Start	6/1/99-8/31/99	28,411
Center City Senior Citizen Services	1/1/99-12/31/99	22,249
Safe Harbor Program	10/19/98-4/30/99 9/20/99-7/30/00	101,173 59,271
Public Safety Initiative	8/1/98-7/31/99 9/2/99-6/30/00	25,169 10,600
Teen Pregnancy Prevention	7/1/99-6/30/00	715
Great Expectations	7/1/99-8/31/99	<u>5,000</u>
<b>Total grant appropriations</b>		<u><b>\$ 1,049,924</b></u>

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 1999**

**NOTE G - COMMITMENT**

The rental expense for the corporation totaled \$ 47,153 for the year ended December 31, 1999.

**NOTE H - INCOME TAXES**

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

**NOTE I - FUNCTIONAL EXPENSES**

As of December 31, 1999, the functional expenses are as follows:

Management and General	\$ 24,883
Senior Citizens	102,053
Day Care	528,163
Alcohol and drug abuse	203,796
After school care	165,029
Economic development	<u>39,053</u>
	<u>\$ 1,062,977</u>

**NOTE J - CASH FLOW INFORMATION**

Interest paid for the year ended December 31, 1999 totaled \$808.

**NOTE K - BOARD OF DIRECTORS' COMPENSATION**

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

**NOTE L - FEDERALLY ASSISTED PROGRAMS**

The Corporation participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the corporation's management believes that further examinations would not result in any significant disallowed costs.

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 1999**

**NOTE K - ECONOMIC DEPENDENCY**

The Corporation received the majority of its revenue from funds provided through grants administered by the City of New Orleans, State of Louisiana, and Total Community Action, Inc. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation is supported primarily through government grants. Approximately 95% of the corporation's support for the year ended December 31, 1999 come from these grants.

**SUPPLEMENTAL INFORMATION**

CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 1999

	MULTI-MEDIA	HEAD START PROGRAM	SENIOR CITIZEN PROGRAM NOCOA	FOOD SERVICES	CAMP HEAD START
<b>REVENUE</b>					
Grant appropriations	\$ 203,796	\$ 376,538	\$ 84,292	\$ 51,397	\$ 28,411
Contributions	-	-	-	-	-
Interest income	-	-	-	44	-
Fund raising, net of direct costs of \$2,211	-	-	-	-	-
Other	-	-	-	-	-
	<u>203,796</u>	<u>376,538</u>	<u>84,292</u>	<u>51,441</u>	<u>28,411</u>
<b>EXPENSES</b>					
Salaries	125,818	228,061	39,288	4,445	11,543
Fringe benefits	19,409	56,018	4,228	-	1,005
Travel	1,157	783	-	-	-
Operating services	35,203	39,354	25,435	15	-
Supplies	8,047	10,504	6,197	39,954	10,848
Professional services	5,721	6,794	3,900	400	-
Capital outlay	8,441	23,436	-	-	-
Other costs	-	10,970	655	303	4,980
	<u>203,796</u>	<u>375,920</u>	<u>79,703</u>	<u>45,117</u>	<u>28,376</u>
Increase <decrease> in net assets	-	618	4,589	6,324	35
Net assets, beginning of year	<242>	-	<12,566>	10,394	-
Net assets, end of year	<u>\$ &lt;242&gt;</u>	<u>\$ 618</u>	<u>\$ &lt;7,977&gt;</u>	<u>\$ 16,718</u>	<u>\$ 35</u>

CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 1999

	<u>SAFE HARBOR</u>	<u>TEEN PREGNANCY PREVENTION PROGRAM</u>	<u>GREAT EXPECTATIONS</u>	<u>CENTRAL CITY DAY CARE SERVICES</u>	<u>AUDIT</u>
<b>REVENUE</b>					
Grant appropriations	\$ 160,444	\$ 715	\$ 5,000	\$ 79,013	\$ 2,300
Contributions	-	-	-	-	-
Interest income	-	-	-	-	-
Fund raising, net of direct costs of \$2,211	-	-	-	-	-
Other	<u>160,444</u>	<u>715</u>	<u>5,000</u>	<u>79,013</u>	<u>2,300</u>
<b>EXPENSES</b>					
Salaries	12,829	660	-	60,267	-
Fringe benefits	1,153	55	-	11,682	-
Travel	-	-	2,256	-	-
Operating services	1,485	-	94	2,563	-
Supplies	32,783	-	80	-	-
Professional services	109,830	-	2,640	4,238	2,300
Capital outlay	-	-	-	-	-
Other costs	<u>960</u>	<u>204</u>	<u>5,274</u>	<u>78,750</u>	<u>2,300</u>
	<u>159,040</u>	<u>715</u>	<u>5,274</u>	<u>78,750</u>	<u>2,300</u>
Increase <decrease> in net assets	1,404	-	<274>	263	-
Net assets, beginning of year	-	-	-	430	-
Net assets, end of year	<u>\$ 1,404</u>	<u>\$ -</u>	<u>\$ &lt;274&gt;</u>	<u>\$ 693</u>	<u>\$ -</u>

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

For the year ended December 31, 1999

	<u>SENIOR CITIZEN SERVICES</u>	<u>PUBLIC SAFETY INITIATIVE</u>	<u>E.C. ICE CREAM</u>	<u>HALEY PROJECT</u>	<u>GENERAL</u>	<u>TOTAL</u>
<b>REVENUE</b>						
Grant appropriations	\$ 22,249	\$ 35,769	\$ -	\$ -	\$ -	\$ 1,049,924
Contributions	-	-	-	-	32,450	32,450
Interest income	-	-	-	-	1,004	1,048
Fund raising, net of direct costs of \$2,211	-	-	-	-	3,556	3,556
Other	-	-	4,000	-	20,246	24,246
	<u>22,249</u>	<u>35,769</u>	<u>4,000</u>	<u>-</u>	<u>57,256</u>	<u>1,111,224</u>
<b>EXPENSES</b>						
Salaries	14,253	20,800	-	-	13,270	531,234
Fringe benefits	4,548	4,659	-	-	75	102,832
Travel	-	-	-	-	408	4,604
Operating services	1,800	3,754	-	2,996	1,353	114,052
Supplies	-	880	-	-	1,406	110,699
Professional services	650	1,920	300	-	316	139,009
Capital outlay	1,099	3,281	-	-	-	36,257
Other costs	-	375	-	88	5,755	24,290
	<u>22,350</u>	<u>35,669</u>	<u>300</u>	<u>3,084</u>	<u>22,583</u>	<u>1,062,977</u>
Increase <decrease> in net assets	<101>	100	3,700	<3,084>	34,673	48,247
Net assets, beginning of year	-	-	-	22,098	8,810	28,924
Net assets, end of year	<u>&lt;101&gt;</u>	<u>100</u>	<u>3,700</u>	<u>\$ 19,014</u>	<u>\$ 43,483</u>	<u>\$ 77,171</u>



**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended December 31, 1999

<u>PROGRAM</u>	<u>CFDA#</u>	<u>EXPENDITURES</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES</b>		
Passed through Total Community Action, Inc.:		
Head Start Program	93.600	\$ 375,920
Camp Head Start	93.600	28,376
Passed through State of Louisiana		
Department of Health & Hospitals:		
Alcohol and Drug Abuse	93.959	<u>203,796</u>
		<u>608,092</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Passed through State of Louisiana		
Department of Education:		
Food Service Program	10.558	<u>45,117</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>		
		<u>45,117</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Passed through City of New Orleans:		
Central City Day Care Services	14.218	78,750
Audit	14.218	2,300
Senior Citizen Services	14.218	22,350
Afterschool	14.231	164,314
Public Safety Initiative	14.231	35,669
E.C. Ice Cream	14.231	300
Handleman Building Feasibility Analysis	14.231	<u>3,084</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
		<u>306,767</u>
Total federal awards		<u>\$ 959,976</u>

Notes to Schedule of Expenditures of Federal Awards

1. The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.
2. The Head Start grant requires non-federal matching funds totaling 20% of the grant. The in-kind contributions totaled \$99,363 for the year ended December 31, 1999. The corporation was in compliance with the matching requirements of the grant.

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**STATEMENT OF EXPENDITURES COMPARED  
TO BUDGET – CENTRAL CITY DAY CARE SERVICES**

**For the year ended December 31, 1999**

	<u>BUDGET</u>	<u>EXPENDITURES</u>	<u>ACTUAL &lt;OVER&gt; UNDER BUDGET</u>
Salaries	\$ 60,432	\$ 60,267	\$ 165
Fringe benefits	12,654	11,682	972
Insurance	475	475	-
Accounting services	4,351	4,238	113
Rent	<u>2,088</u>	<u>2,088</u>	<u>-</u>
	<u>\$ 80,000</u>	<u>\$ 78,750</u>	<u>\$ 1,250</u>

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**STATEMENT OF EXPENDITURES COMPARED  
TO BUDGET – SENIOR CITIZEN SERVICES**

**For the year ended December 31, 1999**

	<u>BUDGET</u>	<u>EXPENDITURES</u>	<u>ACTUAL &lt;OVER&gt; UNDER BUDGET</u>
Salaries	\$ 15,000	\$ 14,253	\$ 747
Fringe benefits	4,651	4,548	103
Professional services	650	650	-
Rent	3,600	1,800	1,800
Equipment	<u>1,099</u>	<u>1,099</u>	<u>-</u>
	<u>\$ 25,000</u>	<u>\$ 22,350</u>	<u>\$ 2,650</u>

# Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT  
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122  
TELEPHONE: (504) 288-0050

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Board of Directors  
Central City Economic Opportunity Corporation

I have audited the financial statements of Central City Economic Opportunity Corporation, as of and for the year ended December 31, 1999, and have issued my report thereon dated June 7, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Central City Economic Opportunity Corporation's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Central City Economic Opportunity Corporation's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Central City Economic Opportunity Corporation's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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.

My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Austin J. Scanlon, CPA*

New Orleans, Louisiana  
June 7, 2000

# Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT  
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122  
TELEPHONE: (504) 288-0050

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
Central City Economic Opportunity Corporation

### Compliance

I have audited the compliance of Central City Economic Opportunity Corporation with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended December 31, 1999. Central City Economic Opportunity Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Central City Economic Opportunity Corporation's management. My responsibility is to express an opinion on Central City Economic Opportunity Corporation's compliance based on my audit.

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

In my opinion, Central City Economic Opportunity Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

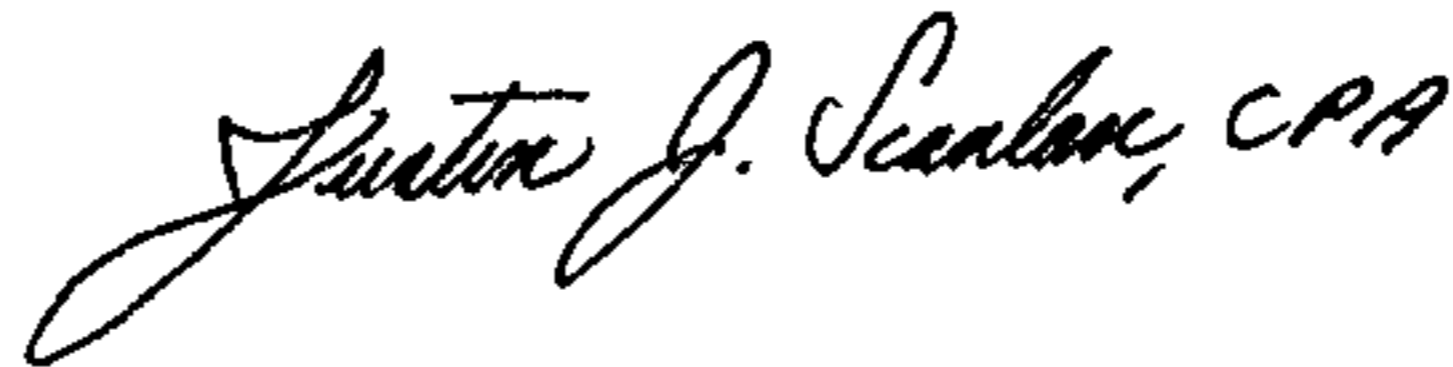
### Internal Control Over Compliance

The management of Central City Economic Opportunity Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Central City Economic Opportunity Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect Central City Economic Opportunity Corporation's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Justin J. Scanlon, CPA". The signature is written in black ink and is positioned to the right of the typed name and date.

New Orleans, Louisiana  
June 7, 2000

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended December 31, 1999**

**A. SUMMARY OF AUDIT RESULTS**

1. An unqualified opinion was issued on the financial statements of Central City Economic Opportunity Corporation.
2. A reportable condition disclosed during the audit of the financial statements is reported in the section titled "Findings-Financial Statements Audit". This condition is not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Central City Economic Opportunity Corporation were disclosed during the audit.
4. A reportable condition disclosed during the audit of the major federal award program is reported in the section titled "Finding and Questioned Costs – Major Federal Award Programs Audit". This condition is not reported as a material weakness.
5. The auditors report on compliance for the major federal award programs for Central City Economic Opportunity Corporation expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Central City Economic Opportunity Corporation are reported in this Schedule.
7. The programs tested as major programs included:
  - Head Start Program – CFDA #93.600
  - Camp Head Start – CFDA #93.600
  - Central City Day Care Services – CFDA #14.218
  - Audit – CFDA #14.218
  - Senior Citizen Services – CFDA #14.218
8. The dollar threshold used to distinguish Type A and Type B programs was \$300,000. A Type B program was classified as Type A to comply with the 50% coverage rule.
9. Central City Economic Opportunity Corporation did not qualify as a low-risk auditee.



**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**For the year ended December 31, 1999**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT OF REPORTABLE CONDITIONS**

**99-1. Intergrant receivables/payable balances.**

**Condition:**

The intergrant receivables/payables were not in agreement at year end.

**Criteria:**

To assure the accuracy of the financial statements, the intergrant receivables/payables should be reconciled monthly and adjusted accordingly.

**Effect:**

The accuracy of the financial statements may be compromised.

**Recommendation:**

To assure the accuracy of the financial statements, the intergrant receivable/payables should be reconciled monthly and adjusted accordingly.

**Response:**

See Corrective Action Plan.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**ALL PROGRAMS**

**99-1. Intergrant receivables/payable balances.**

**Condition:**

The intergrant receivables/payables were not in agreement at year end.

**Criteria:**

To assure the accuracy of the financial statements, the intergrant receivables/payables should be reconciled monthly and adjusted accordingly.

**Effect:**

The accuracy of the financial statements may be compromised.

**Recommendation:**

To assure the accuracy of the financial statements, the intergrant receivable/payables should be reconciled monthly and adjusted accordingly.

**Response:**

See Corrective Action Plan.

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**For the year ended December 31, 1999**

**D. STATUS OF PRIOR YEAR AUDIT FINDINGS**

	<u>Reportable Conditions</u>	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Findings</u>
1.	Intergrant receivable/payable		X	99-1

# *Central City Economic Opportunity Corporation*

2020 Jackson Avenue  
New Orleans, LA 70113

(504) 524-3484  
(504) 524-6485 Fax

Melanie W. Wilson  
*President*

Priscilla Edwards  
*Executive Director*

King S. Wells  
*Deputy Director*

June 20, 2000

Justin J. Scanlan  
Certified Public Accountant  
4769 St. Roch Avenue  
New Orleans, LA 70122

Dear Mr. Scanlan:

In connection with the "Schedule of Findings and Questioned Costs" in relation to the audit of Central City Economic Opportunity Corporation's financial position as of December 31, 1999, we submit that the following:

## **Findings and Question Cost**

**Condition:** The intergrant receivables/payables were not in agreement at year end.

**Response:** As a result of the death of the Corporation's Accountant during 1999, the intergrant receivables/payables were not reconciled at year end. However, a new accountant has been contracted and assigned this responsibility, effective March 2000.

## **Corrective Action Plan 99-1**

To assure the accuracy of the financial statements, all intergrant receivables and payables will be reconciled monthly and adjusted accordingly by the new accounting firm.

Sincerely,



Priscilla Edwards  
Executive Director

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*"An Equal Opportunity Employer"*