

THE CARROLLTON COMMUNITY CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

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

The Carrollton Community Center, Inc. (Center) was organized to encourage, promote and provide facilities and services for senior citizens of the community. The Center shall promote programs to upgrade the standard of living for senior citizens and indigents of the community.

2. Preparation of Financial Statements

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles. They are presented on the accrual basis of accounting.

3. Method of Accounting

The records are maintained in accordance with the principles of fund accounting. Accordingly, revenues for various programs are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

4. Depreciation

Depreciation is provided for in amounts sufficient to reflect the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. Depreciation expense for the period July 1, 1994 through June 30, 1996 totaled \$40,178.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$1,000.

5. Reservables

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

THE CARROLLTON COMMUNITY CENTER, INC.

STATEMENT OF CASH FLOWS

For the period July 1, 1994 through June 30, 1995

Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Excess of expenses over revenues		\$ (12,865)
Adjustments to reconcile excess of expenses over revenues to net cash provided by operating activities:		
Depreciation	\$ 38,178	
Changes in assets and liabilities:		
Increase in grant receivable	(48,494)	
Increase in accounts payable and accrued liabilities	(64,710)	24,801
Net cash provided by operating activities		21,928
Net increase in cash and cash equivalents		21,928
Cash and cash equivalents, beginning of period		3,172
Cash and cash equivalents, end of period		\$ 25,100

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

THE CARROLLTON COMMUNITY CENTER, INC.

STATEMENT OF CHANGES IN FUND BALANCE

For the period July 1, 1994 through June 30, 1995

Fund balance, beginning of period	\$	10,114
Excess of expenses over revenues		(32,100)
Fund balance, end of period	\$	<u>22,014</u>

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

THE CARRINGTON COMMUNITY CENTER, INC.

STATEMENT OF REVENUES AND EXPENSES

For the period July 1, 1984 through June 30, 1986

<b>REVENUES</b>	
Grants	\$ 300,000
Fee-for-service payments	194,739
Donations	80,608
Other	<u>1,000</u>
	576,347
<b>EXPENSES</b>	
Salaries	281,170
Fringe benefits	96,454
Taxes	6,840
Rent	56,018
Insurance	33,887
Telephone	18,483
Contractual services	52,721
Repairs and maintenance	8,148
Supplies	52,715
Vehicle expenses	24,531
Traveling and conference	3,837
Other costs	5,687
Depreciation	<u>39,128</u>
	652,031
<b>EXCESS OF EXPENSES OVER REVENUES</b>	\$ <u>(75,684)</u>

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

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
The Carrollton Community Center, Inc.

I have audited the accompanying balance sheet of The Carrollton Community Center, Inc. (a nonprofit corporation) as of June 30, 1996 and the related statements of revenue and expense, changes in fund balances, and cash flows for the period July 1, 1994 through June 30, 1996. These financial statements are the responsibility of The Carrollton Community Center, Inc.'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 Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Institutions." 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 The Carrollton Community Center, Inc. as of June 30, 1996, and the results of its operations and cash flows for the period July 1, 1994 through June 30, 1996 in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial 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 The Carrollton Community Center, Inc. Such information has been subjected to the auditing procedures applied in the examination 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.

In accordance with Government Auditing Standards, I have also issued a report dated March 4, 1997, on my consideration of The Carrollton Community Center, Inc.'s internal control structure and a report dated March 4, 1997 on its compliance with laws and regulations.



Monticello, Mississippi  
March 4, 1997

THE CARROLLTON COMMUNITY CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. 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.

7. Cash Equivalents

For purposes of the statement of cash flows, the corporation considers all demand deposits to be cash equivalents.

NOTE B - GRANT RECEIVABLE

The grant receivable consists of the following as of June 30, 1996:

New Orleans Council on Aging, Inc.	\$	30,224
City of New Orleans		6,841
Department of Veterans Affairs		4,860
State of Louisiana		
Department of Health and Hospitals		4,280
Department of Education		1,511
	\$	<u>47,716</u>

NOTE C - FUND BALANCE

As of June 30, 1996, the fund balance (deficit) consists of the following:

General Fund	\$	58,788
Veterans Affairs		4,358
Adult Day-Care Program		(56,340)
Nutrition Program		8,110
Property and Equipment		15,882
	\$	<u>20,798</u>

THE CARROLLTON COMMUNITY CENTER, INC.

BALANCE SHEET

June 30, 1994

ASSETS		
Cash		\$ 21,303
Grant Receivables (Note B)		41,769
Property and equipment-at cost (Note A4)		
Transportation equipment	\$ 45,167	
Less: accumulated depreciation	(28,132)	17,035
Total assets		\$ 80,107

LIABILITIES AND FUND BALANCE

Accounts payable and accrued liabilities	\$ 88,311
Commitment (Note B)	-
Fund Balance (Note C)	<u>    29</u>
Total liabilities and fund balance	\$ 88,340

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

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**THE CARRINGTON COMMUNITY CENTER, INC.**

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

**JUNE 30, 1966**

under provisions of state law, this report is a public document. A corporation is not a legal entity and is not a natural person. It is not subject to the same rules of evidence and procedure as a natural person. The rules of evidence and procedure apply to the corporation of the State of Michigan. The corporation of the State of Michigan is a legal entity and is not a natural person. It is not subject to the same rules of evidence and procedure as a natural person. The rules of evidence and procedure apply to the corporation of the State of Michigan.

WMAA-1001 4291



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

- Cash
- Support, program service fees, revenues and receivables
- Expenses for program, supporting services and accounts payable
- Payroll and related liabilities
- Property and equipment
- Other liabilities
- Fund balances
- Governmental financial assistance programs

**GENERAL REQUIREMENTS**

- Political activity
- Civil rights
- Cash management
- Allowable cost/expense principles

**SPECIFIC REQUIREMENTS**

- Types of services allowed or not allowed
- Claims for reimbursements

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

During the period July 1, 1994 through June 30, 1996, The Caribbean Community Center, Inc. had no major federal award programs and expended 800% of its total federal awards under the ten major programs titled "ElderCare Relief," "Adult Day Care," "Nursing Programs," and "SOB, Caribbean Hollywood Center."

I performed tests of controls, as required by OIGB Circular 4-115, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material non-compliance with specific requirements, general requirements and requirements governing claims for reimbursements that are applicable to the aforementioned nonmajor programs. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters relating to any intention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Corporation's ability to administer federal award programs in accordance with applicable laws and regulations.

The reportable conditions noted are as follows:

**I. Check Signatures**

The Corporation's policy regarding check signing requires only one signature on all such disbursements.

In order to strengthen control of such disbursements I recommend that two signatures be required on all such disbursements over a designated amount to be determined by the corporation's board of directors.

**THE CARROLLTON COMMUNITY CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 1996

**NOTE D - SUMMARY OF FUNDING**

The Carrollton Community Center, Inc. receives the grants and contract monies of the following:

GRANT	PERIOD	GRANT AMOUNT	REVENUE RECOGNIZED
New Orleans Council on Aging, Inc.	7/1/94 - 6/30/95	\$ 74,800	\$ 74,800
Special Low Income	7/1/95 - 6/30/96	74,800	74,800
Senior Center Program	7/1/94 - 6/30/95	79,628	79,628
	7/1/95 - 6/30/96	79,628	79,628
Disaster Relief Program	10/2/95 - 6/30/96	20,000	20,000
State of Louisiana Department of Education Nutrition Program	7/1/94 - 6/30/95	-	11,000
	7/1/95 - 6/30/96	-	18,112
City of New Orleans Community Development Block Grant	3/1/96 - 12/31/96	25,000	6,840
Administrative Grant	-	20,000	20,000
			<b>\$ 358,852</b>

**NOTE E - COMMITMENT**

The rental expense of its administrative and program offices totaled \$11,820 for the period July 1, 1994 through June 30, 1996.

THE CARROLLTON COMMUNITY CENTER, INC.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	3
BALANCE SHEET	4
STATEMENT OF REVENUES AND EXPENSES	5
STATEMENT OF CHANGES IN FUND BALANCE	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTAL INFORMATION	
COMBINED STATEMENT OF REVENUES AND EXPENSES	10
STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 1998	14
STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 1999	16
INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARDS	17
SCHEDULE OF FEDERAL AWARDS	18
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN ALERT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	19
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS	22
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN ALERT OF FINANCIAL STATEMENTS PERFORMED WITH GOVERNMENT AUDITING STANDARDS	25
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL AWARDS PROGRAMS	27
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MINOR FEDERAL AWARD PROGRAM TRANSACTIONS	28
SCHEDULE OF QUESTIONED COSTS	29
MANAGEMENT'S RESPONSE TO INTERNAL CONTROL WEAKNESSES	

THE CARROLLTON COMMUNITY CENTER, INC.

SCHEDULE OF QUESTIONED COSTS

June 30, 1996

There are no questioned costs.

# John C. Todd, Jr., C.P.A., CPA

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONPROFIT FEDERAL AWARD PROGRAM TRANSACTIONS

Board of Directors  
The Carolinian Community Center, Inc.

I have audited the financial statements of The Carolinian Community Center, Inc. (a nonprofit corporation) as of June 30, 1995 and for the period July 1, 1994 through June 30, 1995, and have issued my report thereon dated March 4, 1997.

In connection with my audit of the financial statements of The Carolinian Community Center, Inc. and with my consideration of the Corporation's control structure used to administer federal programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Major's Institutions," I selected certain transactions applicable to the nonmajor program for the period July 1, 1994 through June 30, 1995.

As required by Circular A-133, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed applicable to these transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Corporation's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that The Carolinian Community Center, Inc. had not complied, in all material respects, with these requirements.

This report is intended for the information and use of the Legislative Auditor and the corporation's board of directors and management. However, this report is a matter of public record, and its distribution is not limited.



Monroe, Louisiana  
March 4, 1997

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**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE  
TO FEDERAL AWARDS PROGRAMS**

Board of Directors  
The Carolinian Community Center, Inc.

I have audited the financial statements of The Carolinian Community Center, Inc. (a nonprofit corporation) as of June 30, 1994 and for the period July 1, 1994 through June 30, 1996, and have issued my report thereon dated March 4, 1997.

I have applied procedures to test The Carolinian Community Center, Inc.'s compliance with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the period July 1, 1994 through June 30, 1996.

The general requirements are as follows:

- Political activity
- Civil rights
- Financial reports
- Cash management
- Allowable costs / cost principles

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Educational Institutions and Other Nonprofit Institutions". My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on The Carolinian Community Center, Inc.'s compliance with the requirements stated in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of non-compliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that The Carolinian Community Center, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information and use of the Legislative, Auditor and the corporation's board of directors and management. However, this report is a matter of public record, and its distribution is not limited.



Minister, Louisiana  
March 4, 1997

**CAUSE:** Complete and accurate financial accounting records were not maintained on the Corporation General Fund and all programs for the period under audit. Considerable time and effort was expended by the Corporation's independent accountant in order to complete these records resulting in a delay in completion of the audit.

I considered the instance of noncompliance in forming my opinion on whether The Carolina Community Center, Inc.'s 1995/1996 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated March 4, 1997, on their financial statements.

This report is intended for the information and use of the Legislative Auditor and the corporation's board of directors and management. However, this report is a matter of public record, and its distribution is not limited.



Metairie, Louisiana  
March 4, 1997

## 2. Disbursement Procedures

My examination of the Corporation's cash disbursement procedures revealed there was no evidence of approval for payment nor were bills cancelled and marked "Paid."

In order to strengthen internal control over Corporation disbursements, I recommend that a "Paid" stamp be used to show include date paid, check number and approval of payment.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not allow a relatively low level of 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.

However, I stated the following matter involving the internal control structure and its operations that I consider to be a material weakness as defined above. These conditions were considered in determining the nature, timing and extent of the procedures to be performed in my audit of the financial statements of The Carolina Community Centre, Inc. for the period July 1, 1994 through June 30, 1996.

### Accounting System

During the period July 1, 1994 through June 30, 1996, no complete and accurate formal accounting records were maintained for the Corporation General Fund. Cash receipts and disbursements journals were maintained but were incomplete. In addition, one program had no formal accounting records for the period July 1, 1994 through June 30, 1995, while another program had no formal accounting records for the period July 1, 1995 through June 30, 1996.

Considerable time and effort was expended by the Corporation's independent accountant in order to complete these records.

I recommend complete and accurate formal accounting records be maintained on the Corporation's General Fund and all programs. Without complete and accurate formal accounting records the Corporation's financial condition cannot accurately be determined.

This report is intended for the information and use of the Legislative Auditor and the corporation's board of directors and management. However, this report is a matter of public record, and its distribution is not limited.



Metairie, Louisiana  
March 4, 1997



## *Warrilton Hollygrove Multi-Purpose Senior Citizens Center*

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2011-12  
2012-13  
2013-14

### **Management's Response to Audit Findings**

#### **Check Signatures**

##### **Response:**

The Board of Director's have taken the recommendation of the Auditor and have decided that cash disbursements over \$4,000.00 will required two signatures.

#### **Disbursement Procedures**

##### **Response:**

The Accounting procedures for the center will require that a paid stamp be utilized that includes a date paid, check number and approval for payment, as in accordance with the recommendation of the independent audit.

#### **Accounting System**

All Accounting records of the corporation will be formalized. The accounting records are undergoing computerization and can be reviewed on a monthly basis. This system will enhance the accounting ability of the corporation and make it easier for future audits.

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS

Board of Directors  
The Carellton Community Center, Inc.

I have audited the financial statements of The Carellton Community Center, Inc. (a nonprofit corporation) as of June 30, 1996 and for the period July 1, 1994 through June 30, 1996, and have issued my report thereon dated March 4, 1997.

I conducted my audit 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing my audit for the period July 1, 1994 through June 30, 1996, I considered the internal control structure of The Carellton Community Center, Inc. in order to determine my auditing procedures for the purpose of expressing my opinion on The Carellton Community Center, Inc.'s financial statements and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. I have addressed policies and procedures relevant to my audit of the financial statements in a separate report dated March 4, 1997.

The management of The Carellton Community Center, 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, that transactions are recorded in accordance with management's authorization and recorded 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.

This report is intended for the information and use of the Legislative Auditor and the corporation's board of directors and management. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in cursive script that reads "John C. Felt, CPA". The signature is written in black ink and is positioned to the right of the main text block.

Mitche, Louisiana  
March 4, 1997

The reportable conditions noted are as follows:

### **1. Check Signatures**

The Corporation's policy regarding check signing requires only one signature on all cash disbursements.

In order to strengthen control of cash disbursements, I recommended that two signatures be required on all cash disbursements even a designated amount to be determined by the corporation's board of directors.

### **2. Disbursement Procedures**

My examination of the Corporation's cash disbursement procedures revealed there was no evidence of approvals for payment nor were bills cancelled and marked "Paid."

In order to strengthen internal control over Corporation disbursements, I recommended that a "Paid" stamp be used to also include date paid, check number and approval of payment.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure element 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.

However, I noted the following matter involving the internal control structure and its operation that I consider to be a material weakness as defined above. These conditions were considered in determining the nature, timing and extent of the procedures to be performed in my audit of the financial statements of The Carolinian Community Center, Inc. for the period July 1, 1994 through June 30, 1996.

#### **Accounting System**

During the period July 1, 1994 through June 30, 1996, no complete and accurate formal accounting records were maintained for the Corporation General Fund. Cash receipts and disbursements journals were maintained but were incomplete. In addition, one program had no formal accounting records for the period July 1, 1994 through June 30, 1993, while another program had no formal accounting records for the period July 1, 1995 through June 30, 1996.

Considerable time and effort was expended by the Corporation's independent accountant in order to complete these records.

I recommend complete and accurate formal accounting records be maintained on the Corporation's General Fund and all programs. Without complete and accurate formal accounting records the Corporation's financial condition cannot accurately be determined.

**THE CARROLLTON COMMUNITY CENTER, INC.**  
**COMBINED STATEMENT OF REVENUES AND EXPENSES**

For the period July 1, 1994 through June 30, 1995

	FOR THE YEAR ENDED APRIL 30, 1995	FOR THE YEAR ENDED JUNE 30, 1995	TOTAL
<b>REVENUES</b>			
Grants	\$ 171,608	\$ 188,884	\$ 360,492
Day care payments	183,347	88,833	272,180
Donations	5,128	3,000	8,128
Other	<u>2,421</u>	<u>3,221</u>	<u>5,642</u>
	262,504	283,938	546,442
<b>EXPENSES</b>			
Salaries	147,088	139,186	286,274
Fringe benefits	38,338	28,115	66,453
Travel	2,580	4,258	6,838
Rent	27,008	28,008	55,016
Insurance	13,146	18,736	31,882
Telephone	8,488	4,657	13,145
Contracted services	17,244	15,457	32,701
Repairs and maintenance	4,366	1,992	6,358
Supplies	20,248	26,914	47,162
Vehicle expenses	18,488	8,867	27,355
Training and conferences	2,647	389	3,036
Other costs	2,295	3,982	6,277
Depreciation	<u>15,882</u>	<u>15,882</u>	<u>31,764</u>
	318,881	293,271	612,152
<b>EXCESS OF EXPENSES OVER REVENUES</b>	<b>\$ (56,677)</b>	<b>\$ (10,333)</b>	<b>\$ (67,010)</b>

THE CARROLLTON COMMUNITY CENTER, INC.

SCHEDULE OF FEDERAL AWARDS

For the period July 1, 1998 through June 30, 1999

PROGRAM TITLE	PERIOD	FEDERAL CFDA NUMBER	EXPENDITURES
<b>Other Federal Awards</b>			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through New Orleans Council on Aging, Inc.			
[Reader Relief]	10/7/98 - 6/30/99	95.048	\$ 30,234
Passed through Louisiana Department of Health and Hospitals:			
Adult Day Care	7/1/98 - 6/30/99	93.718	88,884
Adult Day Care	7/1/98 - 6/30/99	93.718	59,628
Subtotal			148,512
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through Louisiana Department of Education:			
Nutrition program	7/1/98 - 6/30/99	16.508	31,008
Nutrition program	7/1/98 - 6/30/99	16.508	14,023
Subtotal			45,031
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Passed through City of New Orleans Department of Housing and Urban Affairs:			
NCS, Carrollton Hollygrove Center	3/1/98 - 12/31/98	14.218	6,880
Subtotal			6,880
<b>U.S. DEPARTMENT OF VETERAN AFFAIRS</b>			
Adult Day Care	7/1/98 - 6/30/99	-	12,347
Adult Day Care	7/1/98 - 6/30/99	-	11,565
Subtotal			23,912
Total Federal awards			\$ 248,831

# John C. Todd, Jr., C.P.A. PC

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## INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARDS

Board of Directors  
The Carolinian Community Center, Inc.

I have audited the financial statements of The Carolinian Community Center, Inc. (a nonprofit corporation) as of June 30, 1996 and for the period July 1, 1994 through June 30, 1996, and have issued my report thereon dated March 4, 1997. These financial statements are the responsibility of the organization'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 Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of "Office of Management and Budget Circular A-133, 'Audit of Institutions of Higher Education and Other Nonprofit Institutions'". These standards and OMB Circular A-133 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the basic financial statements of The Carolinian Community Center, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Metairie, Louisiana  
March 4, 1997

THE CARROLLTON COMMUNITY CENTRAL, INC.  
 STATEMENT OF REVENUES AND EXPENSES - CONTINUED  
 FOR THE FISCAL YEAR ENDING DECEMBER 31, 1992

	GENERAL FUND	ADULT EDUCATION	SENIOR CENTER	BOOK CENTER LIBRARY	MARKING DEPARTMENT	VEGETARIAN RESTAURANT	PROPERTY AND EQUIPMENT	TOTAL
REVENUES								
Donations	-	2,000	1,500	7,500	5,000	-	-	17,000
Day care program	5,000	8,000	-	-	-	8,000	-	21,000
Bookstore	2,000	-	-	-	-	1,000	-	3,000
Other	500	11,000	6,000	7,000	3,000	1,000	-	28,500
EXPENSES								
Salaries	-	24,000	11,000	14,000	-	2,000	-	51,000
Employee benefits	-	10,000	6,000	6,000	-	300	-	22,300
Travel	-	-	100	200	-	-	-	300
Utilities	-	1,000	4,000	1,000	-	4,000	-	10,000
Telephone	-	2,000	2,000	1,000	-	2,000	-	7,000
Supplies	-	1,000	1,000	1,000	-	400	-	3,400
Printing services	1,000	-	-	1,000	-	-	-	2,000
Repairs and maintenance	1,000	-	-	2,000	-	-	-	3,000
Professional fees	-	1,000	1,000	1,000	11,000	-	-	15,000
Other expenses	-	1,000	1,000	1,000	-	-	-	4,000
Program expenses	-	1,000	1,000	1,000	-	-	-	4,000
Depreciation	-	-	-	-	300	-	-	300
Other fees	1,000	200	200	200	200	200	-	1,400
Reserve	-	-	-	-	-	-	11,000	11,000
Depreciation	1,000	200	200	200	1,000	1,000	-	5,400
STATE OF REVENUES EXCEEDS EXPENSES	1,000	3,000	1,000	1,000	1,000	1,000	11,000	20,000



**THE CARROLLTON COMMUNITY CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

*June 30, 1996*

**NOTE F - INCOME TAXES**

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

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

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

THE CARROLLTON COMMUNITY CENTER, INC.  
 STATEMENT OF REVENUES AND EXPENSES - CONTINUED  
 FOR THE YEAR ENDED DECEMBER 31, 1994

	PETERSON AMOUNT	DONATIONS MAILED	PROPERTY AND EQUIPMENT	TOTAL
REVENUES				
Grants	\$6,024	\$0	-	\$6,024
Activity program	-	-	-	-
Concessions	-	-	-	-
Other	\$4,111	\$0	-	\$4,111
		<u>\$0</u>	<u>-</u>	<u>\$10,135</u>
EXPENSES				
Salaries	\$4,028	\$0	-	\$4,028
Program benefits	1,564	-	-	1,564
Taxes	-	2,445	-	2,445
Rent	1,664	-	-	1,664
Telephone	2,797	75	-	2,872
Utilities	-	1,000	-	1,000
Commodities/merchandise	1,817	-	-	1,817
Supplies and maintenance	-	4,232	-	4,232
Depreciation	1,026	-	-	1,026
Printing and advertising	108	-	-	108
Other costs	114	-	-	114
Depreciation	-	-	1,428	1,428
	<u>\$17,936</u>	<u>\$2,527</u>	<u>\$1,428</u>	<u>\$21,891</u>
Excess of revenues over expenses	\$1,201	\$1,973	\$1,670	\$4,844

THE CARROLLTON COMPANY'S OFFICERS, INC.  
 FINANCIAL STATEMENTS FOR THE PERIOD  
 FOR THE YEAR ENDED DECEMBER 31, 1988

	GENERAL LEAS	ASSET LEASE	RENTAL LEASE	PROPERTY LEASE	RENTAL LEASE	PROPERTY LEASE	PROPERTY LEASE	PROPERTY LEASE
<b>ASSETS</b>								
Cash	-	-	8,429	-	1,586	8,429	1,586	-
Prepaid expenses	1,000	-	-	-	-	-	-	-
Debtors	1,111	-	-	-	-	-	-	-
Other	1,000	36,887	8,429	-	1,586	8,429	1,586	-
<b>LIABILITIES</b>								
Accounts	-	26,228	12,882	-	4,781	4,781	4,781	-
Prepaid benefits	-	4,200	7,867	-	4,463	4,463	4,463	-
Notes	36	-	1,899	-	1,899	1,899	1,899	-
Accounts	-	4,728	4,842	-	4,877	4,877	4,877	-
Supplies	-	30	1,842	-	1,753	1,753	1,753	-
Contract services	271	12,229	2,843	-	184	184	184	-
Repairs and maintenance	1,079	-	1,542	-	1,542	1,542	1,542	-
Equity	484	2,898	1,317	-	1,483	1,483	1,483	-
Advances from	-	179	34	-	34	34	34	-
Other cash	2,891	28	81	-	81	81	81	-
Depreciation	1,311	26,228	26,228	-	26,228	26,228	26,228	-
<b>Annual income tax expense reported net income</b>	<b>1,258</b>	<b>98</b>	<b>1,258</b>	<b>1,258</b>	<b>1,258</b>	<b>1,258</b>	<b>1,258</b>	<b>1,258</b>

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL STRUCTURE BASED ON AN AUDIT OF BASIC  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT ACCOUNTING STANDARDS**

Board of Directors  
The Carolina Community Center, Inc.

I have audited the financial statements of The Carolina Community Center, Inc. a nonprofit corporation, as of June 30, 1996 and for the period July 1, 1994 through June 30, 1996, and have issued my report thereon dated March 4, 1997.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of The Carolina Community Center, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling that responsibility, resources 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 authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Instances of internal limitations in any internal control structure, even, in my opinion, or instances of noncompliance may nevertheless occur and will 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 my audit of the financial statements of The Carolina Community Center, Inc. for the period July 1, 1994 through June 30, 1996, 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 assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

#### SUPPLEMENTAL INFORMATION

# John C. Todd, Jr., C.P.A., CPA

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
The Carolton Community Center, Inc.

I have audited the financial statements of The Carolton Community Center, Inc. (a nonprofit corporation) as of June 30, 1996 and for the period July 1, 1994 through June 30, 1996, and have issued my report thereon dated March 4, 1997.

I conducted my 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 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 The Carolton Community Center, Inc. is the responsibility of The Carolton Community Center, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of The Carolton Community Center, Inc.'s 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 audit disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards for which the resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in The Carolton Community Center, Inc.'s 1995-1996 financial statements.

### Audit Requirements

- CONDITION:** The Corporation did not follow the provisions of Louisiana Revised Statute (LSR-R.S.) 24:512, which requires the audit to be completed and issued within six months of the close of the entity's fiscal year.
- CRITERIA:** Under the above statute, the Corporation's audit for the period July 1, 1994 through June 30, 1996 should have been completed and issued by December 31, 1996.
- EFFECT:** This could have a material effect on the Corporation's financial statements should the state choose to reduce or discontinue funding based on this violation of law.