

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**STATEMENT OF ACTIVITIES**

For the year ended December 31, 1996

	TOTAL MEMORANDUM ONLY		
	UNRESTRICTED	TEMPORARILY RESTRICTED	FOR THE YEAR ENDED DECEMBER 31, 1996
<b>REVENUES</b>			
Governmental grants (State &)	\$ -	\$ 756,777	\$ 756,777
Contributions	871	-	871
Interest income	588	-	588
Fund-raising, net of direct costs of \$1,026	4,471	-	4,471
Other income	1,706	-	1,706
Net assets released from restrictions	<u>187,062</u>	<u>(187,062)</u>	-
<b>TOTAL REVENUES</b>	<u>295,697</u>	<u>5,114</u>	<u>300,811</u>
<b>EXPENSES</b>			
Salaries	415,000	-	415,000
Fringe benefits	84,366	-	84,366
Travel	1,690	-	1,690
Operating services	180,140	-	180,140
Supplies	89,313	-	89,313
Professional services	20,181	-	20,181
Capital outlay	8,793	-	8,793
Other costs	22,105	-	22,105
Depreciation	<u>845</u>	<u>-</u>	<u>845</u>
<b>TOTAL EXPENSES</b>	<u>1,121,633</u>	<u>-</u>	<u>1,121,633</u>
Increase (or decrease)	16,770	8,714	25,484
Net assets, beginning of year	<u>1,987,111</u>	<u>1,589</u>	<u>1,988,700</u>
<b>Net assets, end of year</b>	<u>\$ 2,003,881</u>	<u>\$ 10,303</u>	<u>\$ 2,014,184</u>

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

## CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

## SCHEDULE OF FEDERAL AWARDS

For the year ended December 31, 1996

Program Title	Grant No.	Grant Period	Federal CFDA Number	Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through Total Community Action, Inc.:				
Head Start Program	84-0475	01/01/96 - 12/31/96	91.608	\$ 128,800 *
Passed through State of Louisiana Department of Health & Hospitals:				
Alcohol and Drug Abuse	20-073	01/01/96 - 06/30/96	93.091	98,990 *
	88-091	07/01/96 - 12/31/96	93.091	82,560 *
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<b>209,350</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed through City of New Orleans Department of Housing and Neighborhood Development:				
Central City Day Care Services, Adult	58-020 A	01/01/96 - 12/31/96	14.218	118,640 *
	58-020 A	01/01/96 - 12/31/96	14.218	2,668 *
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				<b>121,308</b>
<b>Other Federal Awards</b>				
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>				
Passed through State of Louisiana: Department of Education:				
Food Service Program	-	01/01/96 - 09/30/96	18.558	20,990
	-	09/01/96 - 12/31/96	18.558	18,218
<b>TOTAL FEDERAL AWARDS:</b>				<b>\$ 350,956</b>

\* Denotes major program

## CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

## STATUS OF PRIOR YEAR AUDIT FINDINGS

December 31, 1984

The prior audit report of the corporation included several findings and recommendations. The current status of the prior audit report findings is as follows:

	Resolved	Unresolved	Current Findings No.
1. Integrate receivables/payables		X	1.
2. Payroll tax deposits	X		

# *Central City Economic Opportunity Corporation*

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New Orleans, LA 70113

(504) 524-3484  
(504) 524-6482 Fax

Barbara R. Lewis  
President

Priscilla Edwards  
Executive Director

King E. White  
Deputy Director

## MANAGEMENT'S RESPONSE TO AUDIT FINDINGS

### 1. Interplant receivable/payable

The corporation has implemented a policy that all interplant receivable/payable balances be reconciled monthly, and adjustments recorded accordingly.

### 2. Cash

The financial institution has been contacted and instructed to secure the excess cash balances of the corporation with the Federal Reserve System.

gpc:VLR/ST

cc:audit/expense

**Justin J. Scanlon, C.P.A.**

**CERTIFIED PUBLIC ACCOUNTANT**

**4709 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70115  
TELEPHONE (504) 835-8888**

**INDEPENDENT WRITER'S REPORT ON COMPLIANCE  
WITH SPECIFIC REGULATIONS APPLICABLE TO NONPROFIT  
FEDERAL GRANT PROGRAM TRANSACTIONS**

Board of Directors  
Central City Economic Opportunity Corporation

I have audited the financial statements of Central City Economic Opportunity Corporation, a non-profit corporation, as of and for the year ended December 31, 1984, and have issued my report thereon dated April 22, 1987.

In connection with my audit of the financial statements of Central City Economic Opportunity Corporation, and with my consideration of the Corporation's control structure used to administer federal grant programs, as required by Office of Management and Budget (OMB) Circular A-133, "Auditing of Institutions of Higher Education and Other Nonprofit Institutions," I selected certain transactions applicable to certain nonmajor federal grant programs for the year ended December 31, 1984, as required by OMB Circular A-133. I have performed auditing procedures to test compliance with the requirements governing types of services allowed or prohibited and eligibility tests as 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 Central City Economic Opportunity Corporation had not complied, in all material respects, with these requirements.

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

*Justin J. Scanlon, C.P.A.*

New Orleans, Louisiana  
April 22, 1987

**MEMBER**

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

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

CERTIFIED PUBLIC ACCOUNTANT  
404 W. 100th Ave.      NEW ORLEANS, LOUISIANA 70119  
TELEPHONE: 584-9200

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

Board of Directors  
Central City Economic Opportunity Corporation

I have audited the financial statements of Central City Economic Opportunity Corporation (a non-profit corporation) as of and for the year ended December 31, 1977, and have issued my report thereon April 26, 1978. These financial statements are the responsibility of the 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 governing auditing standards issued by the Comptroller General of the United States, and the provisions of 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 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.

My audit was made for the purpose of forming an opinion on the basic financial statements of the Central Economic Opportunity Corporation 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 basic financial statements taken as a whole.

*Justin J. Scanlon, C.P.A.*

New Orleans, Louisiana  
April 22, 1978

CENTRAL CITY ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF EXPENDITURES COMPARED  
TO BUDGET - CENTRAL CITY DAY CARE SERVICES

For the year ended December 31, 1990

	<u>BUDGET</u>	<u>EXPENDITURES</u>	<u>ACTUAL -OVER- BUDGET BUDGET</u>
Salaries	\$ 81,872	\$ 48,283	\$ 13,586
Fringe benefits	18,408	19,756	1,842
Operating services	29,963	27,828	3,223
Supplies	7,178	6,443	1,895
Capital outlay	6,828	8,728	1,500
	<u>\$ 124,049</u>	<u>\$ 111,038</u>	<u>\$ 12,911</u>

CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1984

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Property and Equipment

Depreciation is provided for its assets sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. Depreciation expense for the year ended December 31, 1984 totaled \$814.

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 collectible 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 flow, 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 equivalents amounts reported in the statement of financial position approximate fair values because of the short maturities of these investments.

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 consolidated.



# Justin J. Scanlan, CPA

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275 WEST BROAD AVENUE NEW ORLEANS, LOUISIANA 70130  
TELEPHONE: 582-2828

## 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, 1986 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 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, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. My 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, 1986, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, in 1986 the Corporation changed its method of accounting for contributions, and its method of financial reporting and financial statement presentation.

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 Central City Economic Opportunity Corporation. 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 reports dated April 23, 1987 on my consideration of Central City Economic Opportunity Corporation's internal control structure and on its compliance with laws and regulations.

*Justin J. Scanlan, CPA*

New Orleans, Louisiana  
April 23, 1987

GENERAL CITY SYSTEMS RECREATIVE CORPORATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 1966

Increase (Decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Increase in net assets		\$ 26,477
Adjustments to reconcile excess of revenue over expenditures to net cash provided by operating activities:		
Depreciation	\$	816
Changes in assets and liabilities:		
Increase in grant receivable	\$	1,870
Increase in other receivable		708
Increase in inventory		513
Increase in prepaid expenses		2,466
Increase in accounts payable and accrued liabilities		8,248
Decrease in accrued vested annual leave benefits		(4,821)
		<u>11,080</u>
Net cash provided by operating activities		<u>37,557</u>
Net increase in cash and cash equivalents		41,086
Cash and cash equivalents, beginning of year		<u>11,022</u>
Cash and cash equivalents, end of year		<u>\$52,108</u>

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

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**

December 31, 1996

ASSETS		
Cash		\$ 34,206
Receivables		
Grant (Note A5 & B)	\$ 45,848	46,604
Other	_ 636	
		532
Inventory (Note C)		
Property and equipment - at cost (Note A4)		
Furniture and equipment	11,732	
Transportation equipment	452,112	
	478,664	
Less accumulated depreciation	(128,064)	
Total assets		\$ <u>561,582</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities		\$ 21,279
Accrued vacation leave benefits		29,029
Program sponsor		22,141
Commitment (Note E)		_
Total liabilities		72,449
Net assets		4,192
Unrestricted		28,122
Temporarily restricted		_
Total net assets		28,122
Total liabilities and net assets		\$ <u>100,571</u>

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

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**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**FINANCIAL STATEMENTS  
(and)  
REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANT  
December 31, 1974**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public office etc. 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 5/28 11 57

CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

STATEMENT OF EXPENDITURES COMPARED  
TO BUDGET - HEAD START GRANT

For the year ended December 31, 1994

	<u>BUDGET</u>	<u>EXPENDITURE</u>	<u>ACTUAL -OVER- BUDGET BUDGET</u>
Salaries	\$ 188,788	\$ 202,338	\$ 13,550
Fringe benefits	51,487	58,841	7,354
Travel	-	88	88
Supplies	25,300	18,887	6,413
Other costs	82,481	32,227	50,254
In-kind contributions	75,832	125,885	-50,053
	<u>\$ 423,788</u>	<u>\$ 433,382</u>	<u>\$ 9,594</u>

CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 1978

**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 Organization**

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.

The corporation is supported primarily through government grants. Approximately 99% of the corporation's support for the year ended December 31, 1978 came from these grants.

**2. Classification of Financial Statements**

For December 31, 1978, the corporation has implemented the new disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 217, "Financial Statements of Non-Profit Organizations," dated June 1968. Accordingly, the net assets of the corporation are reclassified to present the following classes: (a) unrestricted net assets, and (b) temporarily unrestricted net assets. This reclassification had no effect on the change in 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. Income 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 as unrestricted net assets and reported in the Statement of activity as net assets released from restrictions.

**DISTRICT CITY INCOME INVESTMENTS COMPARISONS**

COMPREHENSIVE LIST OF ACTIVITIES  
 ACCORDING TO NET ASSETS  
 for the year ended December 31, 1946

**CITY OF MEMPHIS -  
 DIVISION OF RECORDS AND  
 ADMINISTRATIVE SERVICES**

**DISTRICT CITY "A"  
 COMPARISONS**

	GENERAL FUND	SALES TAX FUND	MULTI-PURPOSE FUND	FOOD SERVICE FUND	GENERAL FUND	PRIORITY AND RESERVE FUNDS
<b>EXPENSE</b>						
Costs of operations	\$ 11,482	\$ 1,549	\$ 27,249	\$ 43,178	\$	\$ 74,971
Contributions	-	-	-	44	91	91
Non-current	-	-	-	-	24	24
Reserve fund at 1/1/46	-	-	-	-	4,971	4,971
and at 12/31/46	-	-	17,549	2,025	5,289	4,971
<b>Net</b>	<b>11,482</b>	<b>1,549</b>	<b>27,249</b>	<b>43,178</b>	<b>5,375</b>	<b>10,006</b>
<b>EXPENDITURES</b>						
Salaries	49,320	4,093	19,493	4,938	10,429	43,428
Fringe benefits	6,176	4,779	12,999	36	846	8,466
Taxes	-	-	1,099	-	93	1,092
Operating supplies	1,295	1,624	4,827	-	-	18,238
Repairs	1,491	492	1,524	29,794	46	4,931
Subcontract services	1,208	1,209	4,549	368	-	5,026
Special study	1,041	1,267	2,997	-	2,749	4,794
Other costs	1,041	-	-	-	-	2,134
Reserve funds	1,041	4,811	17,493	8,438	4,322	10,006
<b>DISBURSEMENTS</b>	<b>64,813</b>	<b>11,594</b>	<b>49,492</b>	<b>72,374</b>	<b>18,678</b>	<b>78,471</b>
<b>NET ASSETS</b>	<b>\$ 4,869</b>	<b>\$ 355</b>	<b>\$ 12,757</b>	<b>\$ 28,804</b>	<b>\$ 1,157</b>	<b>\$ 2,985</b>
Net assets beginning of year	1,041	4,811	17,493	8,438	4,322	10,006
Increase, net of year	3,828	355	12,757	20,366	6,835	2,985

#### ENVIRONMENTAL INFORMATION



CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1978

NOTE L - 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 monies are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state levels, 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.

**CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

December 31, 1984

**NOTE F - INCOME TAXES**

The corporation is exempt from corporate income taxes under Section 501(c)(15) of the Internal Revenue Code.

**NOTE G - FUNCTIONAL EXPENSES**

As of December 31, 1984, the functional expenses are as follows:

Management and General	\$ 34,222
DEVELOPMENT	54,868
Day Care	647,962
Alcohol and drug abuse	164,718
	<u>\$ 1,001,770</u>

**NOTE H - CONCERNING OF CREDIT RISK**

The bank balances are comprised of the following, which are not fully secured by federal deposit insurance:

Demand deposits, per bank statement	\$ 118,959
Deposits secured by federal deposit insurance	<u>188,888</u>
Total unsecured deposits	<u>\$ 307,847</u>

**NOTE I - CASH FLOW INFORMATION**

For the year ended December 31, 1984, the corporation paid interest of \$24.

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

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

**NOTE K - FEDERALLY ASSISTED PROGRAMS**

The Corporation participates in a number of federally assisted programs. These programs are subject to accordance with the Disability Equity Act of 1982. Audits of prior years have not resulted in any disallowed costs; however, greater attention 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.

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

CERTIFIED PUBLIC ACCOUNTANT  
NEW ORLEANS, LOUISIANA 70112  
TELEPHONE 524-8200

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE FEDERAL REQUIREMENTS APPLICABLE TO FEDERAL AIDED PROGRAMS

Board of Directors  
Central City Economic Opportunity Corporation.

I have audited the financial statements of Central City Economic Opportunity Corporation, a non-profit corporation, as of and for the year ended December 31, 1988, and have issued my report thereon dated April 22, 1989.

I have applied procedures to test Central City Economic Opportunity Corporation's compliance with the following requirements applicable to the federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended December 31, 1988.

The general requirements are as follows:

- Political activity
- Civil rights
- Cash management
- Financial reports
- Allowable cost/account principles
- Administrative requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement of Rules 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 Central City Economic Opportunity Corporation's compliance with the requirements listed 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 noncompliance 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 Central City Economic Opportunity Corporation has not complied, in all material respects, with those requirements.

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

*Justin J. Scullary, C.P.A.*

New Orleans, Louisiana  
April 22, 1989

MEMBER

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CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

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Recommended the organization monitor its cash balances monthly to assure they are adequately insured. If the cash balances exceed the FDIC insurance limits, recommend the financial institution pledge accordingly with the Federal Reserve System to assure the cash balances are adequately insured.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structures (whether or not reduced to a relatively low level) the risk that noncompliance with laws and regulations that would be material to a 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 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, I believe none of the reportable conditions described above is a material weakness.

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

*Justin J. Simons, CPA*

New Orleans, Louisiana  
April 22, 1997

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

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TELEPHONE 524-1818

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS

Board of Directors  
Central City Economic Opportunity Corporation

I have audited the financial statements of Central City Economic Opportunity Corporation in non-profit organizations as of and for the year ended December 31, 1986, and have issued my report thereon dated April 22, 1987.

I have also audited the compliance of Central City Economic Opportunity Corporation with the requirements governing types of services allowed or disallowed, eligibility, reporting, claims for reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal award programs, which are identified on the accompanying Schedule of Federal Awards, for the year ended December 31, 1986. The management of Central City Economic Opportunity Corporation is responsible for the Corporation's compliance with these requirements. My responsibility is to express an opinion on compliance with these requirements 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, and the provisions of 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 I 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 corporation's compliance with these requirements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, Central City Economic Opportunity Corporation complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal award programs for the year ended December 31, 1986.

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

*Justin J. Scadden, CPA*

New Orleans, Louisiana  
April 22, 1987

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

- Cash
- Support, receivables, and receipts
- 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
- Financial reports
- Allowable costs/fund principles
- Administrative requirements

**SPECIFIC REQUIREMENTS**

- Types of services allowed or not allowed
- Eligibility
- Matching
- Cost allocation
- Claims for reimbursement

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

During the year ended December 31, 1994, Central City Economic Opportunity Corporation expended 98% of its total Federal awards under major Federal award programs.

I performed tests of controls, as required by OMB Circular A-135, 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, requirements governing claims for reimbursements, and amounts claimed or used for matching that are applicable to each of the Corporation's major Federal award programs, which are identified in the accompanying Schedule of Federal Awards. 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 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 administer Federal award programs in accordance with applicable laws and regulations.

The reportable conditions noted are as follows:

**1. Intergovernment receivable/payable**

The intergovernment receivable/payable balances were not in agreement at December 31, 1994.

Recommended the intergovernment receivable/payable balance be reconciled monthly, and the differences be adjusted accordingly.

**2. Cash**

At December 31, 1994, the cash balances exceeded the FDIC insurance limits. The cash balances were not adequately insured and are subject to credit risk.

## CENTRAL CITY ECONOMIC OPPORTUNITY CORPORATION

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1996

**NOTE B - GRANT RECEIVABLE**

The grant receivable at December 31, 1996 consists of the following:

City of New Orleans - Division of Housing and Neighborhood Development	\$ 15,651
State of Louisiana - Division of Alcohol and Drug Abuse	13,828
State of Louisiana - Department of Education	6,559
	<u>\$ 36,038</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 - SUMMARY OF FUNDING**

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

Grants	Period	Revenue Recognized
Central City Day Care Services	1/1/96-12/31/96	4 118,648
Senior Citizens Program	1/1/96-6/30/96 7/1/96-12/31/96	43,331 37,148
Head Start Program	1/1/96-12/31/96	309,160
Multi Media Center	1/1/96-6/30/96 7/1/96-12/31/96	502,803 84,433
Food Service Program	1/1/96-6/30/96 6/1/96-12/31/96	26,823 13,288
Audit	-	<u>1,858</u>
Total grant appropriations		<u>\$ 1,004,250</u>

**NOTE E - COMMITMENT**

The rental expense for the corporation totaled \$ 48,184 for the year ended December 31, 1996.



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## INTERIM REPORT-N REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS

Board of Directors  
Central City Economic Opportunity Corporation

I have audited the financial statements of Central City Economic Opportunity Corporation (a non-profit corporation) as of and for the year ended December 31, 1986, and have issued my report thereon dated April 20, 1987. I have also audited the corporation's compliance with requirements applicable to major federal award programs and have issued my report thereon dated April 20, 1987.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and GIPS 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 and about whether the corporation complied with laws and regulations, noncompliance with which would be material to a major federal award program.

In planning and performing my audit for the year ended December 31, 1986, I considered the internal control structure of Central City Economic Opportunity Corporation in order to determine by auditing procedures for the purpose of expressing my opinion on the financial statements of Central City Economic Opportunity Corporation 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 my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal award programs. I have addressed policies and procedures relevant to my audit of the financial statements in a separate report dated April 20, 1987.

The management of Central City Economic Opportunity Corporation is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, managers and institutions 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 conducted 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 award 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.

### MEMBER

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

# Justin J. Sennlan, CPA

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE (ICSA) ON AN ASSET OF FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH "GOVERNMENT ACCOUNTING STANDARDS"

BOARD of Directors  
Central City Economic Opportunity Corporation

I have audited the financial statements of Central City Economic Opportunity Corporation, a non-profit corporation as of and for the year ended December 31, 1984, and have issued my report thereon dated April 23, 1987.

I conducted my audit in accordance with generally accepted auditing standards, 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 misstatements.

The management of Central City Economic Opportunity Corporation 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 recorded 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, protection of any evaluation of the structure in 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 Central City Economic Opportunity Corporation for the year ended December 31, 1984, 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 relating to an situation 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.

The reportable conditions noted are as follows:

1. Intergroup receivable/payable

The intergroup receivable/payable balances were not in agreement at December 31, 1994.

Recommend the intergroup receivable/payable balances be reconciled monthly, and the difference be adjusted accordingly.

2. Cash

At December 31, 1994, the cash balances exceeded the FDIC insurance limits. The cash balances were not adequately insured and are subject to credit risk.

Recommend the organization monitor its cash balances monthly to assure they are adequately insured. If the cash balances exceed the FDIC insurance limits, recommend the financial institution pledge arrangements with the Federal Reserve System to assure the cash balances are adequately insured.

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 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.

My 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, I believe none of the reportable conditions described above is a material weakness.

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

*Justin J. Searles, CPA*

New Orleans, Louisiana  
April 22, 1997

**Justin J. Scanlon, C.P.A.**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
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, a non-profit corporation, as of and for the year ended December 31, 1998, and have issued my report thereon dated April 22, 1999.

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 misstatements.

Compliance with laws, regulations, contracts, and grants applicable to Central City Economic Opportunity Corporation is the responsibility of Central City Economic Opportunity Corporation's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Central City Economic Opportunity Corporation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit 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 instances of noncompliance that are required to be reported under Government Auditing Standards.

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

*Justin J. Scanlon, C.P.A.*

New Orleans, Louisiana  
April 22, 1999

**ATTACHED**

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