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XAVIER TRIANQUEL NEIGHBORHOOD DEVELOPMENT CORPORATION

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and its copy is deposited in the public office. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 25 1997

FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 1997

**Bruno
& Tervalon**

CHIEF OF PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Xavier Triangle Neighborhood Development Corporation

We have audited the accompanying statement of financial position of the Xavier Triangle Neighborhood Development Corporation (a non-profit corporation) as of June 30, 1997 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the Xavier Triangle Neighborhood Development Corporation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Xavier Triangle Neighborhood Development Corporation as of June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Xavier Triangle Neighborhood Development Corporation

As discussed in NOTE 2 to the financial statements, during the year ended June 30, 1997, Xavier Triangle Neighborhood Development Corporation changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our 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, we have also issued a report dated December 23, 1997 on our consideration of Xavier Triangle's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Bruno & Tervalon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 23, 1997

XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1997

ASSETS

Cash and cash equivalents (NOTE 2)	\$105,964
Grants receivable	33,373
Office furniture and equipment, net of accumulated depreciation of \$5,895 (NOTE 2)	22,382
Land and land improvements (NOTE 3)	34,119
Total assets	\$175,824

LIABILITIES AND NET ASSETS

Liabilities:	
Due to Xavier University (NOTE 4)	\$ 40,615
Deferred revenue (NOTE 2)	26,779
Total liabilities	68,005
Contingencies (NOTE 8)	
Net assets (NOTE 2):	
Unrestricted net assets-designated	73,145
Unrestricted net assets-unrestricted	34,439
Total net assets	107,824
Total liabilities and net assets	\$175,824

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

XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 1997

Revenues and Support	
Support:	
Grant funds	\$252,383
Revenues:	
Interest income	2,577
Other income	18,884
Total revenues and support	<u>273,844</u>
Expenses	
Program Expenses:	
Owner Occupied Rehabilitation Services	101,230
Community Development Corporation Support	51,609
First-time Homebuyer Support	6,749
Xavier Triangle Program Support	40,598
Limited Equity Housing Cooperative Support	388
Micro-Loan Project Support	59,327
Total program services	<u>260,431</u>
Supporting Services:	
Management and general	9,554
Total supporting services	<u>9,554</u>
Total expenses	<u>269,985</u>
Change in net assets	23,859
Net assets, beginning of year	81,965
Net assets, end of year	<u>\$107,824</u>

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

XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1997

Cash flows from operating activities:	
Change in net assets	\$ 21,829
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	1,828
Changes in assets and liabilities:	
Increase in grants receivable	28,459
Increase in due to Xavier University	(37,603)
Decrease in deferred revenue	(28,391)
Net cash used in operating activities	(2,808)
Cash flows from investing activities:	
Land purchases	(14,110)
Decrease in cash and cash equivalents	(16,958)
Cash and cash equivalents at June 30, 1996	122,522
Cash and cash equivalents at June 30, 1997	\$ <u>105,564</u>

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

**XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION

Xavier Triangle Neighborhood Development Corporation (Xavier Triangle) is a non-profit corporation located in New Orleans, Louisiana. The Xavier Triangle was formed for the purpose of improving the living conditions of members and residents of the Xavier Triangle which encompasses the area from Carrollton to South Jefferson Davis Parkway and Howard to Walmsley. Xavier Triangle was created to facilitate neighborhood revitalization and beautification including economic, business, civic, social and recreational services, education and training, technical assistance, advocacy and housing and physical infrastructural development considerations to benefit its membership and the residents of the community.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Accounting

The financial statements and supplemental schedules of the Xavier Triangle are prepared in accordance with generally accepted accounting principles, and are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

B. Cash and Cash Equivalents

Cash consists solely of demand deposits fully insured by Federal Deposit Insurance. For purposes of the statement of cash flows, the management of Xavier Triangle considers all time deposits and certificates of deposits with a maturity of three months or less to be cash equivalents.

XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
CONTINUED

C. Basis of Reporting

During 1987, Xavier Triangle adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 118, "Accounting for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 118 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions. In addition, Xavier Triangle is required to present a statement of cash flows.

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include the following:

- Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of Xavier Triangle are included in this category. Xavier Triangle has determined that any donor-imposed restrictions for current or developing programs and activities are generally not within the operating cycle of Xavier Triangle, and therefore, Xavier Triangle's policy is to record these net assets as unrestricted.
- Unrestricted net assets-designated represent the unexpended balance of funds from program activities.

**XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
CONTINUED**

C. Basis of Reporting, Continued

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

As June 30, 1987, Xavier Triangle did not have any temporarily or permanently restricted net assets.

D. Programs

The following is a brief description of the programs administered by Xavier Triangle during the year under audit:

- o First-time Homebuyer Support (FHSF) is a non-federal grant from the City of New Orleans which was granted for the purpose of assisting residents in becoming first time homebuyers through a housing cooperative and to reduce blight in the Xavier Triangle area.
- o Xavier Triangle Program Support (XTPS) is a federal grant from the City of New Orleans, Department of Housing and Neighborhood Development which was granted for the purpose of assisting Xavier Triangle with operating expenses consistent with the federal regulations.
- o Community Development Corporation Support (CDCS) is a private grant from Structured Employment and Economic Development corporation which is to be used to assist Xavier Triangle in its operation of a neighborhood-based Community Development Corporation (CDC).

**XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
CONTINUED**

B. Programs, continued

- a. **Ceaser Occupied Rehabilitation Services (COSRS)** is a federal grant from the City of New Orleans, Department of Housing and Neighborhood Development under the Home Investment Partnership Program and the Community Development Block Grant Program which were granted for the purpose of benefiting principally low and moderate income persons by providing ceaser occupied rehabilitation services.
- a. **Limited equity Housing Cooperative Support (Co-Op Homebuyer)** is a federal grant from the City of New Orleans, under the HOME Investment Partnership Program which was granted from the Home set aside funds for organizations that have been formally designated as Community Housing Development Organizations which serve the housing needs of citizens within the Community who have a low-moderate income designation. This grant is for the purpose of developing a limited equity housing cooperative.
- a. **Micro-loan Project Support (Micro Lending Project)** is a non-federal grant from the City of New Orleans', Economic Development Fund which was granted for the purpose of establishing a successful micro-loan program for the Xavier Triangle Community and to develop the capacity to administer micro-loan projects for other organizations.

During the year, Xavier University of Louisiana was the recipient of a grant award from the U. S. Department of Housing and Urban Development's (HUD) Historically Black Colleges and Universities (HBCU) program. These services were essentially performed by the management of Xavier Triangle on behalf of Xavier University. Expenditures associated with grant activities, which were recorded on the books of Xavier University and not audited as an integral part of the Xavier Triangle audit are as follows at June 30, 1997:

XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
CONTINUED

D. Programs, Continued

Description	Amount
Salaries and fringe benefits	\$119,925
Travel	3,246
Supplies	8,776
Indirect costs	18,038
Contractual services	17,310
Other	1,822
Total	\$189,922

E. Deferred Revenues

Grant revenues received in advance of performing related grant activities are deferred until such activities are completed. Revenues received from the NHP Grant, but not yet earned totaled \$24,187 at June 30, 1997.

F. Fixed Assets

Fixed assets are stated at cost, if purchased, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful life of the equipment, which is 5 years.

XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

NOTE 3 - FIXED ASSETS

Xavier Triangle's fixed assets at June 30, 1987 were composed of the following:

Office Furniture and Equipment:

	Balance at 07/01/86	Additions	Balance at 06/30/87
Asset	\$28,277	\$ -0-	\$28,277
Accumulated Depreciation	(2,827)	(2,828)	(5,655)
Net office furniture and equipment	\$25,450	\$ (2,828)	\$22,622

Land and Land Improvements

	Balance 07/01/86	Additions	Balance 06/30/87
Asset	\$ -0-	\$15,110	\$15,110

NOTE 4 - DUE TO XAVIER UNIVERSITY

At June 30, 1987, Xavier University had not been reimbursed by Xavier Triangle for expenditures incurred with respect to the NHBDO, NHP, HOME, Owner Occupied Rehab, Co-Op Homebuyer, NHBDO Landing Program grants and unrestricted account, totaling \$43,415.

NOTE 5 - INCOME TAXES

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

XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

NOTE 6 - RELATED PARTY TRANSACTIONS

Xavier University provides certain accounting and fiscal management functions for Xavier Triangle at a cost as mutually agreed per the contract between the two parties.

Additionally, Xavier University provides office space, meeting space, utilities, and use of university services to the Xavier Triangle. The value of these benefits have not been recorded in the financial statements since the related amount has not been determined.

NOTE 7 - Fair Value of Financial Instruments:

The estimated fair value of all significant financial assets have been determined by Xavier Triangle using available market information and appropriate valuation methodologies. Xavier Triangle considers the carrying amounts of cash, grants receivable, and deferred revenue to be fair value.

NOTE 8 - Contingencies:

Participation in Grant Programs

Xavier Triangle administers and participates in certain grant funded programs. In connection with the administration and operations of these grants, Xavier Triangle is to expend grant funds and allocations in accordance with program guidelines and regulations. However, should Xavier Triangle have operated/administered the program and/or grants in a manner which would be in non-compliance with the guidelines and regulations, Xavier Triangle may be required by the funding sources to repay some portion or all of the grant award.

SUPPLEMENTAL INFORMATION

QUARTER TRIANGLE
SCHEDULE OF REVENUES AND SUPPORT EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 1997

	LEADS	MESSGS.	REF.	OTHER OCCUPIED RENTAL	CO-OP PORTFOLIO	MONO- SITES PROJECT	TOTAL PROGRAM COST	MANAGEMENT AND SERVICES	TOTAL COST
Revenues and support:									
First floors	\$ 41,000	\$ 11,000	\$ 20,000	\$ 10,000	\$ 50	\$ 10,000	\$ 20,000	\$ 10,000	\$ 30,000
Other floors	100	4	4	4	4	4	10	10	10
Support costs	(4)	(5)	(10)	(5)	(5)	(10)	(30)	(10)	(10)
Total revenues and support	\$ 41,096	\$ 11,000	\$ 20,000	\$ 10,000	\$ 50	\$ 10,000	\$ 20,000	\$ 10,000	\$ 30,000
Expenses:									
Salaries and related benefits	\$ 11,700	\$ 3,000	\$ 4	\$ 4,000	\$ 4	\$ 1,000	\$ 10,000	\$ 4	\$ 11,700
Taxes	70	4,000	2,000	4	4	4	10,000	10	10,000
Equipment rental	4	4	4	4	4	4	4,000	4	4,000
Supplies	3,475	4,000	170	1,000	4	4,000	4,000	2,000	6,000
Contractual services	20,000	2,000	10,000	10,000	100	4,000	10,000	1,000	11,000
Other	1,000	4	100	4	4	4,000	4,000	4	4,000
Interest on debt	4	4	4	4	4	4	4,000	4	4,000
Insurance	4	4,000	4	4	4	4	4,000	4	4,000
Print and mailing	4	4	4	4	4	4	4	4	4
Overhead	4	4	4	4	4	4	4	4	4
Depreciation and amortization	4	4	4	4	4	4	4	4	4
Repairs and maintenance	4	4	4	4	4	4	4	4	4
Administrative expenses	4	4	4	4	4	4	4	4	4
Total expenses	\$ 49,270	\$ 11,000	\$ 2,700	\$ 11,000	\$ 30	\$ 1,000	\$ 20,000	\$ 10,000	\$ 29,270
Change from equity	\$ 0	\$ 4	\$ 10,000	\$ 4	\$ 4	\$ 4	\$ 10,000	\$ 10,000	\$ 10,000
Net Assets, July 1, 1996	\$ 4	\$ 2,000	\$ 20	\$ 5	\$ 5	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000
Net Assets, June 30, 1997	\$ 4	\$ 2,000	\$ 10,000	\$ 5	\$ 5	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Xavier Triangle Neighborhood Development Corporation

We have audited the financial statements of Xavier Triangle Neighborhood Development Corporation (a non-profit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated December 22, 1997. We conducted our 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. As disclosed in NOTE 3 to the financial statements, during the year ended June 30, 1997, Xavier Triangle changed its method of accounting for contributions received and applied newly established financial reporting standards for not-for-profit organizations.

Compliance

As part of obtaining reasonable assurance about whether the Xavier Triangle Neighborhood Development Corporation (Xavier Triangle) financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)

To the Board of Directors of
Xavier Triangle Neighborhood Development Corporation

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Xavier Triangle's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 22, 1997

**XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION
EXIT CONFERENCE**

An exit conference was held and those in attendance were as follows:

XAVIER TRIANGLE NEIGHBORHOOD DEVELOPMENT CORPORATION

Ms. Brenda Davillier	--	Executive Director
Ms. Joyce Sandifer	--	Treasurer

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Edward J. Phillips, Jr.	--	Senior Manager
Ms. Denise Scott, CPA	--	Audit Senior

The audit report was discussed. This report is intended solely for the use of the Board of Directors, Management, and Xavier Triangle's questions.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 22, 1997

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Directors
Xavier Triangle Neighborhood
Development Corporation

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We have audited the financial statements of the Xavier Triangle Neighborhood Development Corporation (Xavier Triangle) for the year ended June 30, 1997 and have issued our report thereon dated December 22, 1997.

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As part of our audit, we made a study and evaluation of the internal control structure, including applicable internal administrative controls used in administering federal financial assistance programs, to the extent we considered necessary to evaluate the internal control structure as required by generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States.

In connection with our audit, we reviewed the prior year management letter comments on the internal control structure, including applicable internal administrative controls, to determine whether management had implemented appropriate action to correct the comments. The results of our review with respect to the prior year management letter comments are described within.

This letter does not affect our report dated December 22, 1997 on the financial statements of Xavier Triangle. This report is solely for the information and use of the Board of Directors, and management.

1. **INTERNAL CONTROL**

We noted during our audit that one (1) instance out of seven (7) noted whereby the employee's "Notice of Personnel Action" form was not signed by the Personnel Director and one (1) out of thirty-five (35) instances whereby the approved vendor invoice was not properly totaled resulting in a disbursement being made of \$100 in excess of actual cost.

Current Status

Xavier Triangle has developed adequate procedures to ensure that all appropriate forms have been properly signed.

Additionally, Xavier Triangle is continuing to request reimbursement of the \$100.

2. **TIMELY COMPLETION OF THE
AUDIT OF THE FINANCIAL STATEMENTS**

We noted during our audit that management had not adhered to established procedures with regard to the timely issuance of the audited financial statements as stipulated by state statute. This condition was caused by certain accounting records not being available on a timely basis.

Current Status

The audit report for the fiscal year ended June 30, 1997 was completed and issued within six (6) months of the close of the fiscal year.

3. VALUATION OF CONTRIBUTED FACILITIES

We noted that Xavier Triangle had not recorded the value of contributed office space and utilities as provided by Xavier University. Generally accepted accounting principles require that the fair market value of the services or facilities be recorded as revenue and expense on the non-profit organization's financial statements.

Current Status

Xavier Triangle is still developing appropriate procedures to establish values for the noted in-kind contributions.

4. MAINTENANCE OF A SEPARATE ACCOUNTING SYSTEM

We noted that Xavier Triangle does not maintain an accounting system separate and apart from Xavier University.

Current Status

The Xavier Triangle has acquired appropriate computer software to facilitate the maintenance of a separate fund accounting system as well as hired an employee designated to perform the accounting duties of Xavier Triangle.

5. PAYROLL TAX REPORTING

We also noted that Xavier Triangle does not file its own payroll tax forms, but files under Xavier University's Federal tax identification number.

In the initial years of operations this practice would be acceptable to the Internal Revenue Service. However, as the organization expands its operations and receives more contributions and grants, it would be inappropriate for the organization to continue this practice.

As such, we recommend that in the immediate future Xavier Triangle files its own payroll tax returns with its own Federal tax identification number.

**PRIOR YEAR MANAGEMENT LETTER COMMENTS
(CONTINUED)**

5. **PAYROLL TAX REPORTING**, Continued

Current Status

Xavier Triangle is presently developing an appropriate methodology to resolve this condition.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with appropriate personnel of Xavier Triangle and we will be pleased to discuss them in further detail at your earliest convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 22, 1997