



LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

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CENTRAL CITY ADULT EDUCATION AGENCY, INC.
FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 1987
AND INDEPENDENT AUDITOR'S REPORT

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 officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAY 16 1988

CENTRAL CITY ADULT EDUCATION AGENCY, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Central City Adult Education Agency, Inc.

We have audited the accompanying statement of financial position of the Central City Adult Education Agency, Inc. (the Agency's) nonprofit organization) as of June 30, 1997, and the related statement of activities and statement of cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. 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; 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." Those standards and OMB Circular A-133 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 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. 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 Agency as of June 30, 1997, and the changes in its net assets for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 27, 1998, on our consideration of the Agency's internal control structure and a report dated February 27, 1998, on its compliance with laws and regulations.

Luther C. Speight & Co.
New Orleans, Louisiana
February 27, 1998

CENTRAL CITY ADULT EDUCATION AGENCY, INC.

STATEMENT OF FINANCIAL POSITION
As of June 30, 1997

ASSETS		<u>1997</u>
Current Assets		
Cash	\$	4,665
Due From Others		<u>1,150</u>
TOTAL CURRENT ASSETS		5,815
FIXED ASSETS		
Equipment		8,400
Accumulated Depreciation		<u>(3,382)</u>
TOTAL FIXED ASSETS		5,018
TOTAL ASSETS		<u>10,833</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable		2,511
Deferred Revenue		<u>1,621</u>
TOTAL CURRENT LIABILITIES		4,142
Net Assets		
Net Assets		5,391
Change in Net Assets		<u>0</u>
TOTAL NET ASSETS		5,391
TOTAL LIABILITIES AND NET ASSETS	\$	<u>10,533</u>

CENTRAL CITY ADULT EDUCATION AGENCY, INC.

STATEMENT OF ACTIVITIES
AS OF JUNE 30, 1987

REVENUE	1987
Grant Revenue	\$ 121,308
TOTAL REVENUE	121,308
EXPENSES	
Program Services	
Contract Labor	38,317
Salaries and Wages	63,252
Payroll Taxes	6,471
Support Services	
Rent	6,600
Accounting	3,000
Legal & Professional	2,000
Office Expense	6,147
Telephone	1,380
Depreciation	1,004
Bank Charges	13
Utilities	877
Postage	33
TOTAL EXPENSES	\$ 121,308
CHANGE IN NET ASSETS	0

CENTRAL CITY ADULT EDUCATION AGENCY, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1987**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	0
Changes in Operating Assets and Liabilities:		
Due From Others		9,199
Accounts Payable		280
Deferred Revenue		(3,087)
Depreciation Expense		1,984
		<u>1,554</u>
Net Increase in Cash From Operating Activities		1,554

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment		<u>0</u>
Net Decrease in Cash From Investing Activities		0

NET DECREASE IN CASH AND CASH EQUIVALENTS 1,554

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 3,431

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 4,985

CENTRAL CITY ADULT EDUCATION AGENCY, INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

General- Central City Adult Education Agency, Inc. was incorporated on August 1, 1990 under the provisions of the State of Louisiana. The Agency provides and offers educationally disadvantaged adults basic education and literacy training which prepares the participants for the high school equivalency test.

2. BASIS OF ACCOUNTING:

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

3. CASH

Cash is comprised of cash on hand and in banks.

4. FIXED ASSETS

Fixed assets are recorded at cost. All assets purchased with public funds are charged to operations in the year of purchase and transferred from unrestricted fund balance to restricted and/or property fund balance.

Equipment is summarized by major classification as follows:

Computer Equipment	\$ 2,080
Office Equipment	2,148
Total	4,228
Less Accum. Deps.	3,292
Total Equipment (Net)	\$ 936

Depreciation is computed using the straight line method. The estimated useful lives of depreciable assets are as follows:

Computer	- 5 years
Office Equipment and Furniture	- 5 years

5. INCOME TAXES

The organization is exempt from federal and state income taxation under the provisions of Internal Revenue Code Section 501(c)(3).

6. FINANCIAL STATEMENT PRESENTATION

In 1997, the Organization implemented Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1997.



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

To the Board of Directors of
Central City Adult Education Agency, Inc.

We have audited the financial statements of Central City Adult Education Agency, Inc. (the Agency) (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated February 27, 1998.

We conducted our 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 (OMB) Circular A-133, "Audit of Institutions of Higher Education and Other Non-profit Organizations." These standards require that we 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 grant fund is the responsibility of the Agency's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended for the information of the Agency's Board of Directors, 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.

Luther C. Speight & Co.
New Orleans, Louisiana
February 27, 1998



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

To the Board of Directors of
Central City Adult Education Agency, Inc.

We have audited the financial statements of Central City Adult Education Agency, Inc. (the Agency) (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated February 17, 1998.

We conducted our 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 (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Agency 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 executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of change in conditions or that the effect of some of the design and operation of policies and procedures may be determined.

In planning and performing our audit of the financial statements of the Agency for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted no matters involving the internal control structure and its operation that we consider to be a reportable condition under the standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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.

Our 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.

This report is intended for the information of the Agency's Board of Directors, 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.

Kathleen C. Knight, C.A.
New Orleans, Louisiana
February 27, 1998

**CENTRAL CITY ADULT EDUCATION AGENCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE GRANT PERIOD ENDED JUNE 30, 1997**

FINDINGS # 1: GRANT AGREEMENT NOT ON FILE

QUESTIONED COST: NOT APPLICABLE

CONDITION:

During our contract file review, we noted that the Agency did not have a copy of the grant agreement with the appropriate signatures and/or endorsements.

EFFECT OF CONDITION:

The grant agreement is the document which gives the agency its operating authority. Additionally, it contains the performance requirements that the agency must achieve as well as all other legally binding terms and conditions. Since the agency does not have any appropriately endorsed grant agreement on file, management could employ the wrong policies and procedures in administering the grant, which would result in non-compliance.

CRITERIA:

The approved grant agreement should be maintained in program files.

RECOMMENDATION:

The Agency should ensure that they maintain a copy of the approved grant agreement on file.

**CENTRAL CITY ADULT EDUCATION AGENCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE GRANT PERIOD ENDED JUNE 30, 1997**

FINDINGS # 3: CURRENT YEAR AUDIT NOT ENGAGED TIMELY

QUESTIONED COST: NOT APPLICABLE

CONDITION:

The audit of the financial statements of the Agency for the year ended June 30, 1997 was not completed in a timely manner.

EFFECT OF CONDITION:

The effect of this condition is the organization's noncompliance with the requirements in Louisiana revised statute (LSA-RS) 24:517.

CRITERIA:

The audit must be engaged and completed within six months after the close of the fiscal year.

RECOMMENDATION:

The Agency should ensure that auditors are procured in such a manner, which enables the auditor to issue his report, with all appropriate modifications within six months of the close of the auditor's fiscal year. Additionally, during the audit, administrative support should be provided to the auditor as needed.