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TRIMBLE COMMUNITY EDUCATION PROGRAM

**INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENTS AND THE RELATED
SINGLE AUDIT REPORTS FOR THE
YEAR ENDED JUNE 30, 1997**

Under provisions of photo law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and other appropriate public officials. The report is available for public inspection at the Clerk's Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-12-1997

**TRIMBLE COMMUNITY EDUCATION PROGRAM
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Treme Community Education Program

We have audited the accompanying statement of financial position of Treme Community Education Program (the Organization) (a nonprofit organization) for the year ended June 30, 1997 and the related statement of activity and statement of cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. These 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 amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.

We were unable to confirm the grant receivable aggregating \$ 9,484 at June 30, 1997, and we were unable to satisfy ourselves about grant receivables through alternative procedures.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to confirm the grant receivable referred to in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Treme Community Education Program and the results of operations and its cash flows for the year ended June 30, 1997 in conformity with generally accepted accounting principles.

New Orleans, Louisiana
June 25, 1998

TREME COMMUNITY EDUCATION PROGRAM**STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 1997****ASSETS****Current Assets**

Cash	\$	5,172
Grant Receivable(Note 4)		<u>9488</u>

Total Current Assets 14,660

Net Property, Plant & Equipment (Note 2) 10850

TOTAL ASSETS \$ 25,510

LIABILITIES AND NET ASSETS**Current Liabilities**

Accounts Payable	\$	2,480
Deferred Grant Revenue(5)		5,001
Payroll Liabilities		<u>164</u>

Total Current Liabilities 8,645

NET ASSETS

Net Assets - Property		14,591
Change in Net Assets		<u>2,014</u>

TOTAL NET ASSETS 16,605

TOTAL LIABILITIES AND NET ASSETS \$ 25,510

THEME COMMUNITY EDUCATION PROGRAM

**STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 1997**

REVENUE:

State Grants	\$	397,179
Interest Income		582
Contributions		1,032
		<u>398,793</u>
Total Revenue		398,793

EXPENSES:

Program Services:

Salaries		287,267
Payroll Taxes		19,029
		<u>306,296</u>
Total Program Services:		306,296

Support Services:

Equipment Lease / Rental		55,490
Commodities		13,604
Equipment Purchase		14,961
Rent		18,036
Telephone Expense		6,097
Contract Labor		6,028
Insurance		5,994
Depreciation		4,187
Administrative		3,680
Repairs and Maintenance		3,789
Utilities		3,149
Professional Fees		2,589
Other Expenses		3,888
		<u>168,953</u>
Total Support Services		168,953

Total Expenditures		475,249
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CHANGE IN NET ASSETS	\$	<u>2,014</u>
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TRINITY COMMUNITY EDUCATION PROGRAM**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1997**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	2,094
Adjustment to Reconcile Net Revenues over Expenses to net Cash provided by Operating Activities:	
Depreciation Expense	4,187
Change in Operating Assets and Liabilities	
Grant Receivable	(9,484)
Deferred Grant Revenue	3,951
Accounts Payable	2,500
Taxes Payable	104
	<hr/>
Net Increase in Cash from Operating Activities	(945)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,172
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	0
	<hr/>
CASH AND CASH EQUIVALENTS, END OF YEAR	5,172

**TRINITY COMMUNITY EDUCATION PROGRAM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

General

The Trinity Community Education Program, Inc. is a community based non-profit organization that offers a wide range of services and training to citizens living in House District 96, in the parish of Orleans. It was established and incorporated on May 31, 1985, to promote and effectuate the planning and delivery of community services and social service programs within the community. The organization is organized to mobilize both human and financial resources as may be available to correct the socio-economic deprivations affecting the area, and to avail itself to the community.

The TCEP has two primary programs. The first is Harmony House which is a senior citizen recreation center established in 1976. Harmony House conducts a vast spectrum of services to senior citizens who reside in parts of the 5th, 6th, 7th and 8th wards of New Orleans. These services range from essential RR support services to recreation and cultural excursions.

Trinity Youth Development Center is a community based after school program established 18 years ago in service at risk youths between the ages of six to sixteen years, who reside or attend school in House District 96 Orleans Parish. The agency is presently domiciled at 1437 Ms. Hiral St - New Orleans, Louisiana.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, where revenues are recognized when earned and expenses recognized when incurred.

Revenue Taxes

The IRS has given the organization an advanced ruling in which they have determined that the organization is exempt from income tax under section 509(c)(3) of the IRS code as an organization described in section 501. However, because they are a newly created organization the IRS has not made a final determination of the organization's status under Section 509 (c) of the code.

The IRS has advised the organization that they can reasonably expect to be a publicly supported organization under Sections 509 (a)(1) and 170 (b)(1)(A)(iii). The advance ruling period began on May 31, 1996 and ends on June 30, 2000.

Cash

Cash is comprised of cash on hand and in banks.

Lease Expense

The organization has a lease with the New Orleans Sickle Cell Association. The lease agreement requires that the organization pay \$1200/month six-month lease which ends on June 30, 1997. The lease relates to all programs legally operated by the Truett Community Education Program, Inc. and is renewed bi-annually.

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 1995.

Equipment	\$	14,960
Less Accumulated Depreciation		<u>4,102</u>
TOTAL	\$	<u>10,858</u>

3. EQUIPMENT LEASE

Truett Community Education Program leased two passenger vehicles for the purpose of transporting program participants. The lease commenced on July 3, 1996 and will terminate on June 30, 2000. The lease is an operating lease which requires the organization to pay \$4,700 per month.

4. GRANT RECEIVABLE

This receivable is associated with the two grants received from the Department of Social Services. It should represent actual expenses incurred during the audited fiscal year, but not reimbursed as of June 30, 1995.

5. DEFERRED GRANT REVENUE

The deferred grant revenue amount represents monies received from the Office of Urban Affairs in excess of actual expenses incurred for this program.



INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of the
Terre Community Education Program

Our report on our audit of the basic financial statements of Terre Community Education Program for June 30, 1993 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Revenues & Expenses by Grant 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.

New Orleans, Louisiana
June 29, 1998

SCHEDULE OF SUPPLEMENTAL INFORMATION

TRIBE COMMUNITY EDUCATION PROGRAM
 SCHEDULE OF REVENUES & EXPENSES BY COLONY
 FOR THE YEAR ENDED JUNE 30, 2021

	Office of Urban Affairs	Department of Social Services (Sec 44)	Department of Social Services (Sec 45)	Department of Social Services (Sec 46)	Other	Total
Grant Service						
GRANT REVENUE						
State Grants	204,879	88,035	88,172	88,172	0	381,079
Federal Income	0	0	0	0	462	462
Contributions	0	0	0	0	1,000	1,000
Total Revenue	<u>204,879</u>	<u>88,035</u>	<u>88,172</u>	<u>88,172</u>	<u>1,462</u>	<u>381,079</u>
EXPENSES						
Program Services						
Salaries	108,421	54,588	54,588	54,588	0	212,187
Expert Fees	11,256	2,382	2,382	2,382	0	16,402
Total Program Services	<u>119,677</u>	<u>56,970</u>	<u>56,970</u>	<u>56,970</u>	<u>0</u>	<u>233,617</u>
Business Services						
Development Loans/Grant	42,883	8,285	8,285	8,285	0	59,453
Commodities	9,207	3,845	3,845	3,845	0	13,052
Equipment Purchase	11,256	1,880	1,880	1,880	0	13,136
Fuel	3,177	2,800	2,800	2,800	0	5,977
Telephone	2,089	2,781	2,781	2,781	0	4,870
Contract Labor	8,879	0	0	0	0	8,879
POSTAGE	8,723	1,863	1,863	1,863	0	10,586
Supplies	4,787	0	0	0	0	4,787
Administrative	8,822	0	0	0	0	8,822
Repairs and Maint.	7,298	0	0	0	0	7,298
Utilities	4,298	2,827	2,827	2,827	0	7,125
Professional Fees	2,822	0	0	0	0	2,822
Other Expense	1,888	5,112	5,112	5,112	0	6,999
Total Business Services	<u>100,000</u>	<u>28,922</u>	<u>28,922</u>	<u>28,922</u>	<u>0</u>	<u>157,846</u>
Total Expenditures	<u>224,279</u>	<u>85,892</u>	<u>85,892</u>	<u>85,892</u>	<u>0</u>	<u>395,355</u>
CHANGE IN NET ASSETS	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,014</u>	<u>2,014</u>

See accompanying notes to financial statements

**TRINITY COMMUNITY EDUCATION PROGRAM
NOTES TO SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED JUNE 30, 1997**

Note A - These grants are funded on a cost-reimbursement basis. Revenues are therefore, earned as allowable expenses are incurred. The recorded revenues of \$86,038 and \$88,770, accordingly, represent the level of allowable expenses. The difference between grant receipts and incurred revenue is reflected on the balance sheet as a grant receivable or deferred income.



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

To The Board of Directors of
Trent Community Education Program, Inc.

We have audited the financial statements of the Trent Community Education Program as of and for the year ended June 30, 1993 and have issued our report thereon dated June 29, 1993. 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.

Compliance

As part of obtaining reasonable assurance about whether the Trent Community Education Program's financial statements are free of material misstatement, we performed tests of the Trent Community Education Program's 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items #2, #4 and #5.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Trent Community Education Program'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 risk to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Plan's ability to record, process, summarize and report financial data consistent with the intentions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items #1, #2, #3, and #4.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider #1 and #2 to be material weaknesses.

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



William C. Jones, III, CPA
June 23, 1998

**TRENE COMMUNITY EDUCATION PROGRAM
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 1997**

FINDING #1: BANK RECONCILIATIONS NOT PREPARED

QUESTIONED COST: NOT APPLICABLE

CONDITION:

During our audit, it was noted that the Trene Community Education Program did not perform monthly or year-end cash reconciliations.

EFFECT OF CONDITION:

The effect of this condition is that one cannot assess throughout the year whether or not the proper recording of cash balances has occurred. Bank reconciliation's serve as a key internal control mechanism for safeguarding cash as well as assuring that all transactions are properly recorded.

CRITERIA:

It is industry standard that cash accounts are reconciled at year-end.

CAUSE:

The organization does not have a policy which requires that bank reconciliations be performed on a monthly and/or regular basis.

FINDING 8: COMMINGLING OF FUNDS

QUESTIONED-COST: NOT APPLICABLE

CONDITION:

The funding of the Truett Community Education Program consists of funding from the Department of Social Services and the Governor's Office of Urban Affairs. The costs of the program are not separately maintained by fund on the general ledger.

EFFECT OF CONDITION:

Truett is not in compliance with grant conditions. However, additional procedures were performed that distinguished expenses by grant, consequently, there are no questioned costs related to this condition.

CRITERIA:

Program costs for the organization's three grants should be readily separated by fund.

CAUSE:

Generally, the organization does not employ accounting procedures that require the posting of transactions by a specific grant account number.

FINDING ON FIXED-ASSET DETAIL

QUESTIONED COST:

CONDITION:

The fixed asset detail or property inventory list does not agree with the amount recorded in the general ledger as equipment purchases. The difference between the two totaled \$175.00, which is a minor amount compared to total fixed assets.

EFFECT OF CONDITION:

We were unable to determine whether or not equipment purchases were reported accurately.

CRITERIA:

It is industry standard that a fixed asset detail is maintained in order to account for the completeness and location of all assets.

CAUSE:

Currently, the organization does not have a policy which requires that the fixed asset detail be reconciled to the general ledger on a regular basis.

FINDING # 6: CURRENT YEAR AUDIT NOT SUBMITTED TIMELY

QUESTIONED COST: NOT APPLICABLE

CONDITION:

During our audit it was noted that Tremé Community Education Programs did not submit their audit within the time required by state law.

EFFECT OF CONDITION:

The effect of this condition is the organization's noncompliance with the requirements in Louisiana revised statute (LSA-RS) 24:503.

CRITERIA:

The audit must be completed within six months of the close of the audited year, or if engaged after the close of the fiscal period, within six months of the engagement agreement.

CAUSE:

There was a delay in the issuance of the audit report due to the fact that revenue verifications were not received from the Office of Community Services by the end of the audit. As of the issue date of this report, verifications remain outstanding.

FINDING: 4.6. COST REIMBURSEMENT FILING

QUESTIONED COST: NOT APPLICABLE

CONDITION:

During our audit it was noted that Trane Community Education Programs requested reimbursement on its' two Department of Social Services grants based upon budgeted expenses instead of actual expenses.

EFFECT OF CONDITION:

The effect of this condition is the organization's noncompliance with grant requirements.

CRITERIA:

Grant funds are to be obtained for these grants on a cost reimbursement basis.

CAUSE:

Cost reimbursement requests were prepared based upon budgeted expenses.

**Troms Community Education Program
Management Corrective Action Plan
6/30/97**

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FINDING #1

Management will incorporate the monthly reconciliation of all bank accounts into its accounting policy.

FINDING #2

Management will post the audit adjustments provided by the auditors for 6/30/93, and will incorporate fund accounting for all grants into its' grants financial statements.

FINDING #3

Management will keep a current inventory listing of all fixed assets purchased by grant.

FINDING #4

Management will secure the services of a Legislative Auditor approved CPA, in a timely manner for all future audit services.

FINDING #5

Management will request reimbursement of grant monies based on actual costs incurred in association with each grant.



Executive Director
Troms Community Education Program