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**FELICIANA CENTER, INC.
THE RECREATION FUND**

FINANCIAL STATEMENTS

JUNE 30, 1998

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 JAN 27 1999

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JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(504) 775-4982

INDEPENDENT AUDITOR'S REPORT

December 14, 1998

To the Board of Directors of
Feliciana Center, Inc.

We have audited the accompanying Statement of Financial Position of The Recreation Fund, a component unit of the Feliciana Center, Inc. (a non-profit organization), as of June 30, 1998, and the related Statement of Activity and 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.

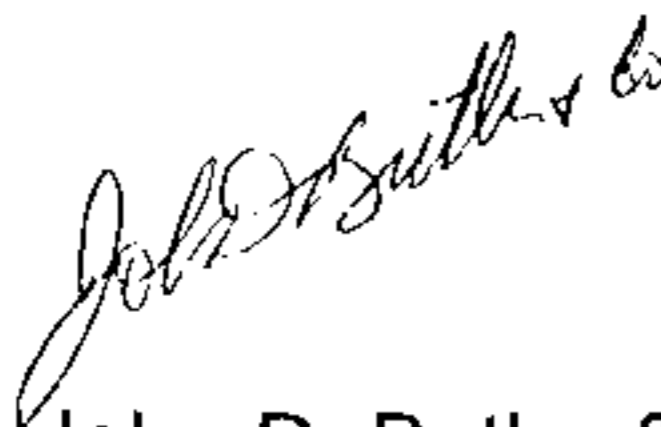
We conducted our audit in accordance with generally accepted auditing standards and the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the 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 Recreation Fund of Feliciana Center, Inc. as of June 30, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Board of Directors
Feliciano Center, Inc.
December 14, 1998
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We conducted our audit in accordance with generally accepted auditing standards for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses 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 14, 1998, on our consideration of Feliciano Center, Inc.'s internal control structure and a report dated December 14, 1998, on its compliance with laws and regulations.



John D. Butler & Company
A Professional Accounting Corporation

JDB/jc

**FELICIANA CENTER, INC.
THE RECREATION FUND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1998**

<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>1.18</u>
TOTAL ASSETS	<u>1.18</u>
<u>LIABILITIES</u>	.00
<u>NET ASSETS</u> , as restated	
Temporarily restricted	<u>1.18</u>
TOTAL LIABILITIES AND NET ASSETS	<u>1.18</u>

See Accompanying Notes.

**FELICIANA CENTER, INC.
THE RECREATION FUND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 1998**

UNRESTRICTED NET ASSETS

Support	\$ <u>.00</u>
Total Unrestricted Support	.00
Net assets released from restrictions	
Restrictions satisfied by payments	<u>16,061.35</u>
Total Unrestricted Support and Reclassifications	16,061.35
Expenses	
Program Services	
Personnel	6,579.29
Activities	7,742.16
Supporting Services	
General and management	<u>1,739.90</u>
Total Expenses	<u>16,061.35</u>
INCREASE IN UNRESTRICTED NET ASSETS	.00
<u>TEMPORARILY RESTRICTED NET ASSETS</u>	
Grant received	15,564.19
Donations received	500.00
Net assets released from restrictions	
Restrictions satisfied by payments	<u>(16,061.35)</u>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>2.84</u>
INCREASE IN NET ASSETS	2.84
NET ASSETS AT BEGINNING OF YEAR, as restated	<u>(1.66)</u>
NET ASSETS AT END OF YEAR	<u><u>1.18</u></u>

See Accompanying Notes.

**FELICIANA CENTER, INC.
THE RECREATION FUND
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1998**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from grants	\$15,564.19
Cash received from donations	500.00
Cash paid to employees	(6,079.29)
Cash paid to suppliers	<u>(9,982.06)</u>
Net Cash (Used) for Operating Activities	2.84
CASH FLOWS FROM INVESTING ACTIVITIES:	.00
CASH FLOWS FROM FINANCING ACTIVITIES:	<u>.00</u>
Net increase in cash and cash equivalents	2.84
Cash and cash equivalents at beginning of year	<u>(1.66)</u>
Cash and cash equivalents at end of year	<u><u>1.18</u></u>
Reconciliation of decrease in net assets to net cash used for operating activities:	
Change in net assets	2.84
Adjustments to reconcile decrease in net assets to net cash used for operating activities	<u>.00</u>
Total Adjustments	<u>.00</u>
Net Cash Provided (Used) for Operating Activities	<u><u>2.84</u></u>

See Accompanying Notes.

**FELICIANA CENTER, INC.
THE RECREATION FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT
ACCOUNTING POLICIES**

Nature of Activities

Feliciana Center, Inc. seeks to serve the needs of the residents of Louisiana and specifically the citizens of East Feliciana Parish by providing afternoon tutorial and recreational programs for students. They have implemented a tutorial program to service students in East Feliciana Parish Schools, Monday - Thursday from 4 PM to 6 PM. Recreational activities will be provided from 6 PM to 7 PM at the Feliciana Parish Center. Support for these activities is primarily through grants from the Office of Urban Affairs and Development operated from the Governor's office. Other support comes from outside contributions.

Financial Statement Presentation

The organization has presented its financial statements in accordance with the 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.

Contributions

The organization also elected to adopt SFAS NO. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS NO. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. As permitted by SFAS NO. 116, the corporation has retroactively applied the provisions of this statement by restating net assets as of June 30, 1995. The impact of this adoption had no effect on net assets.

Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes.

**FELICIANA CENTER, INC.
THE RECREATION FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998**

Cash and Cash Equivalents

For purposes of the statement of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

NOTE 2 - RESTRICTIONS ON NET ASSETS

The restrictions on net assets relate to the grant received. All of the grant is restricted to providing tutorial and recreational activities for students of the East Feliciana School System. Likewise, the donations from outside services were also restricted. All of the monies have been disbursed as of June 30, 1997, and a deficit has been created in the fund due to unpaid bills for taxes and audit work.

NOTE 3 - COMPONENT UNIT

The financial statements presented pertain to the Grant from the Office of Urban Affairs and Development which is accounted for in The Recreation Fund. Feliciana Center, Inc. is responsible for the disposition of the grant. Other activities of Feliciana Center, Inc. are not included in these financial statements.

NOTE 4 - RELATED PARTY

Robert Bingham, member of the Board of Directors of Feliciana Center, Inc., was reimbursed \$284.79 for mileage during the current year.

SUPPLEMENTARY INFORMATION

**FELICIANA CENTER, INC.
THE RECREATION FUND
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1998**

<u>Account Name</u>	<u>---Program Services---</u>		<u>--Supporting Services---</u>	<u>Total</u>
	<u>General & Personnel</u>	<u>Activities</u>	<u>Management</u>	
Utilities	\$.00	\$ 7,251.46	\$.00	\$ 7,251.46
Supplies	.00	380.64	.00	380.64
Mileage	608.18	.00	.00	608.18
Equipment	.00	110.06	.00	110.06
Payroll Taxes	465.56	.00	.00	465.56
Salaries	5,005.55	.00	.00	5,005.55
Telephone	.00	.00	456.47	456.47
Clerical	500.00	.00	.00	500.00
Insurance	.00	.00	783.43	783.43
Audit Fee	.00	.00	500.00	500.00
	<u>6,579.29</u>	<u>7,742.16</u>	<u>1,739.90</u>	<u>16,061.35</u>

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

December 14, 1998

To the Board of Directors of
Felician Center, Inc.

We have audited the financial statements of The Recreation Fund of Felician Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued our report dated December 14, 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. Those standards 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 Felician Center, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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 on 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.

Board of Directors
Feliciano Center, Inc.
December 14, 1998
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In planning and performing our audit of the financial statements of Feliciano Center, Inc. for the year ended June 30, 1998, 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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. We noted no matters involving the internal control structure and its operation that we considered to be material weaknesses as defined above.

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



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

December 14, 1998

To The Board of Directors of
Felician Center, Inc.

We have audited the financial statements of The Recreation Fund of Felician Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued our report thereon dated December 14, 1998.

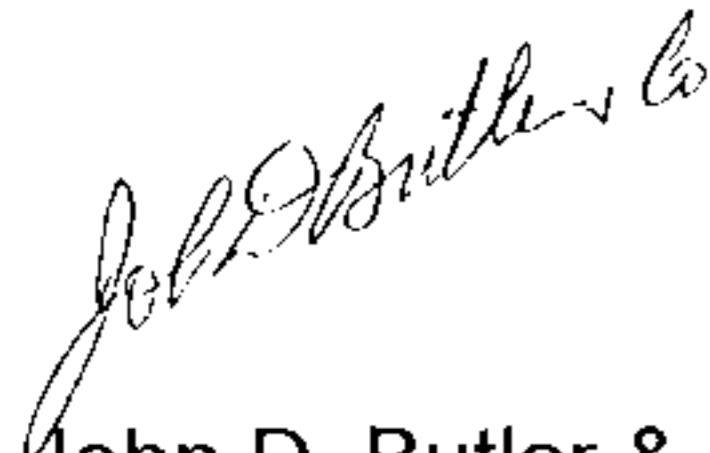
We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Felician Center, Inc. is the responsibility of Felician Center, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Felician Center, Inc.'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 positions. Accordingly, we do not express such an opinion.

Board of Directors
Feliciano Center, Inc.
December 14, 1998
page 2

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we did note certain immaterial instances of noncompliance that we have reported to management of Feliciano Center, Inc. in a separate letter dated December 14, 1998.

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



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December 14, 1998

Felician Center, Inc.
c/o Janice Batiste
P. O. Box 397
Clinton, Louisiana 70722

During the course of our audit of your books and records for the fiscal year ended June 30, 1998, we observed the following items that need to be brought to your attention.

98.1 Withholding Taxes

The proper percentage is not being withheld from employees for FICA taxes. Please refer to Circular E for the correct amounts.

98.2 Tax Reports

Withholding tax reports are not being filed on time. Our office has prepared the returns but not until the year has passed. Please furnish the information to whoever files the returns on time.

98.3 Roster of Participants

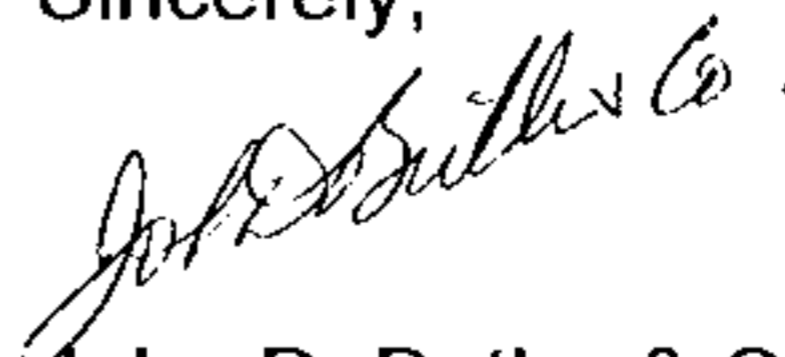
To better show documentation of 25 participants each day, as described in the services to be provided in the grant, a roster of participants should be kept and attached to the weekly time sheets of the employees.

98.4 Time Sheets

Time sheets kept was a great improvement over the prior grant, but still three time sheets were not signed by the employee. Be sure that all time sheets are signed before payment is made.

The records overall were greatly improved from the prior years. Please take these suggestions for improvement, as constructive suggestions.

Sincerely,



John D. Butler & Company
A Prof. Accounting Corporation

JDB/jc

**FELICIANA CENTER, INC.
THE RECREATION FUND
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 1998**

Section I Internal Control and Compliance Material to the Financial Statements

None Reported

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**FELICIANA CENTER, INC.
THE RECREATION FUND
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 1998**

Section I Internal Control and Compliance Material to the Financial Statements

None Reported

Section II Internal Control and Compliance Material to Federal Awards

None Reported

Section III Management Letter

98.1 Withholding Taxes	<i>Contact:</i> Simon Jackson, Treasurer <i>Plan:</i> A current Circular E will be used to calculate withholding taxes. <i>Completion Date:</i> January 1999
98.2 Tax Reports	<i>Contact:</i> Simon Jackson, Treasurer <i>Plan:</i> Tax reports will be sent to an accountant to prepare reports on time. <i>Completion Date:</i> January 1999
98.3 Roster of Participants	<i>Contact:</i> Simon Jackson, Treasurer <i>Plan:</i> Employees in charge will obtain roster to attach to time sheets <i>Completion Date:</i> January 1999
98.4 Time Sheets	<i>Contact:</i> Simon Jackson, Treasurer <i>Plan:</i> Payroll checks will not be issued until time sheets are signed <i>Completion Date:</i> January 1999