

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

9900289
5188

NEW ORLEANS DRUG EDUCATION
INTERVENTION CENTER, INC.
FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 1998
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 **MAR 24 1999**

NEW ORLEANS DRUG EDUCATION INTERVENTION CENTER, INC.
TABLE OF CONTENTS

FINANCIAL STATEMENT AUDIT:

INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE FINANCIAL STATEMENTS	5
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	8
MANAGEMENT'S CORRECTIVE ACTION PLANS	9
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	10

TYRONNE JAMES
CERTIFIED PUBLIC ACCOUNTANT
805 FOURTH STREET
NEW ORLEANS, LA 70130

(504) 891-1384

(504) 391-3692
Fax: (504) 282-4553

INDEPENDENT AUDITOR'S REPORT

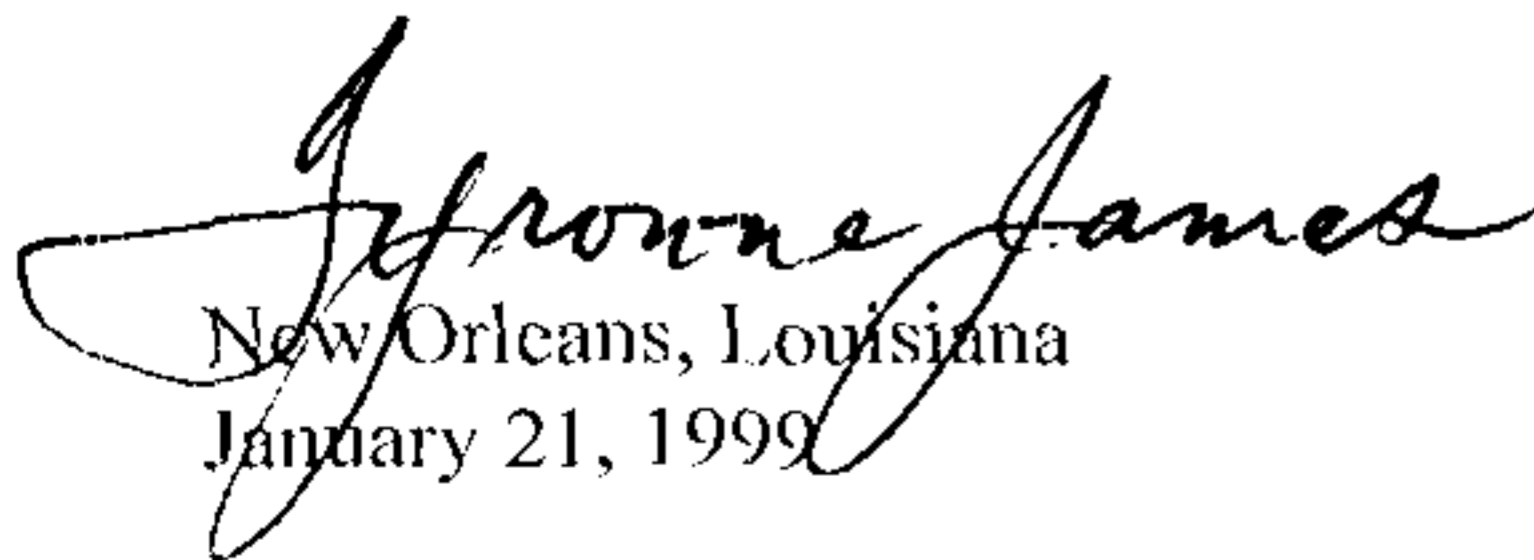
To the Board of Directors of
New Orleans Drug Education Intervention
Center, Inc.

I have audited the accompanying statement of financial position of New Orleans Drug Education Intervention Center, Inc.(N.O.E.I.C.), (a nonprofit organization) as of June 30, 1998, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of N.O.E.I.C.'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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards 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.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of N.O.E.I.C. as of June 30, 1998, and the changes in its net assets and its cash flows for the year ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 21, 1999, on my consideration of N.O.E.I.C.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.


New Orleans, Louisiana
January 21, 1999

**NEW ORLEANS DRUG EDUCATION
INTERVENTION CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 1998**

ASSETS

Current Assets

Cash		\$ 20,757
Total Current Assets		20,757

Fixed Assets

Equipment	\$ 25,912	
Accumulated Depreciation	<u>(5,182)</u>	20,730
Vehicles	22,627	
Accumulated Depreciation	<u>(4,525)</u>	<u>18,102</u>
Total Fixed Assets		<u>38,832</u>

TOTAL ASSETS

\$ 59,589

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Liabilities	\$ 12,614
Taxes Payable	<u>425</u>
Total Current Liabilities	13,039

Net Assets

Net Assets	34,009
Change In Net Assets	<u>12,541</u>
Total Net Assets	<u>46,550</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 59,589

See the Accompanying Notes to the Financial Statements.

**NEW ORLEANS DRUG EDUCATION
INTERVENTION CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1998**

REVENUES

Grant Revenue	\$224,272
Interest Income	<u>174</u>

TOTAL REVENUES	224,446
-----------------------	----------------

EXPENSES

Program Services

Salaries & Wages	\$ 93,839
Contractual Services	23,890
Payroll Taxes	8,304
Supplies Expense	19,629
Rent	7,100
Depreciation	9,707
Activities	9,709
Auto Expenses	3,599

Support Services

Contractual Services	10,471
Accounting and Legal	8,612
Audit Fees	3,500
Telephone	1,356
Utilities	1,981
Insurance	9,485
Bank Charges	309
Miscellaneous	<u>415</u>

TOTAL EXPENSES	<u>211,905</u>
-----------------------	-----------------------

CHANGE IN NET ASSETS	<u><u>\$ 12,541</u></u>
-----------------------------	--------------------------------

See the Accompanying Notes to the Financial Statements.

**NEW ORLEANS DRUG EDUCATION
INTERVENTION CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1998**

CASH FLOWS FROM OPERATING ACTIVITIES

Change In Net Assets	\$ 12,541
Changes in Operating Assets and Liabilities:	
Depreciation Expense	9,707
Increase in Accounts Payable and Accrued Liabilities	7,410
Increase in Taxes Payable	425
Decrease in Deferred Revenues	(39,272)
	<hr/>
Net Decrease in Cash From Operating Activities	(9,189)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Equipment	(20,829)
-----------------------	----------

CASH FLOWS FROM FINANCING ACTIVITIES

0

NET DECREASE IN CASH AND CASH EQUIVALENTS

(30,018)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

50,775

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 20,757

See the Accompanying Notes to the Financial Statements.

**NEW ORLEANS DRUG EDUCATION INTERVENTION CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1998**

A--NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

New Orleans Drug Education Intervention Center, Inc.(NOEIC), (a nonprofit entity) is located at 2103 Louisiana Avenue in New Orleans, Louisiana. The agency provides preventive drug information, education, alternative activities and intervention in the schools, in the community, and in occupational and family settings. NOEIC received a \$185,000 grant from the Louisiana Department of Education for the fiscal period.

Basis of Accounting

The financial statements of NOEIC. are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. Funds totaling \$39,272 that were received last year were earned during the current fiscal year.

Cash

Cash is comprised of cash on hand and in banks.

Income Taxes

NOEIC is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is computed using the straight- line method over a 5 year useful life.

TYRONNE JAMES
CERTIFIED PUBLIC ACCOUNTANT
805 FOURTH STREET
NEW ORLEANS, LA 70130

(504) 891-1384

(504) 391-3692
Fax: (504) 282-4553

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
New Orleans Drug Education Intervention
Center, Inc.

I have audited the financial statements of New Orleans Drug Education Intervention Center, Inc.(N.O.E.I.C.), (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued my report thereon dated January 21, 1999. I conducted my 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.

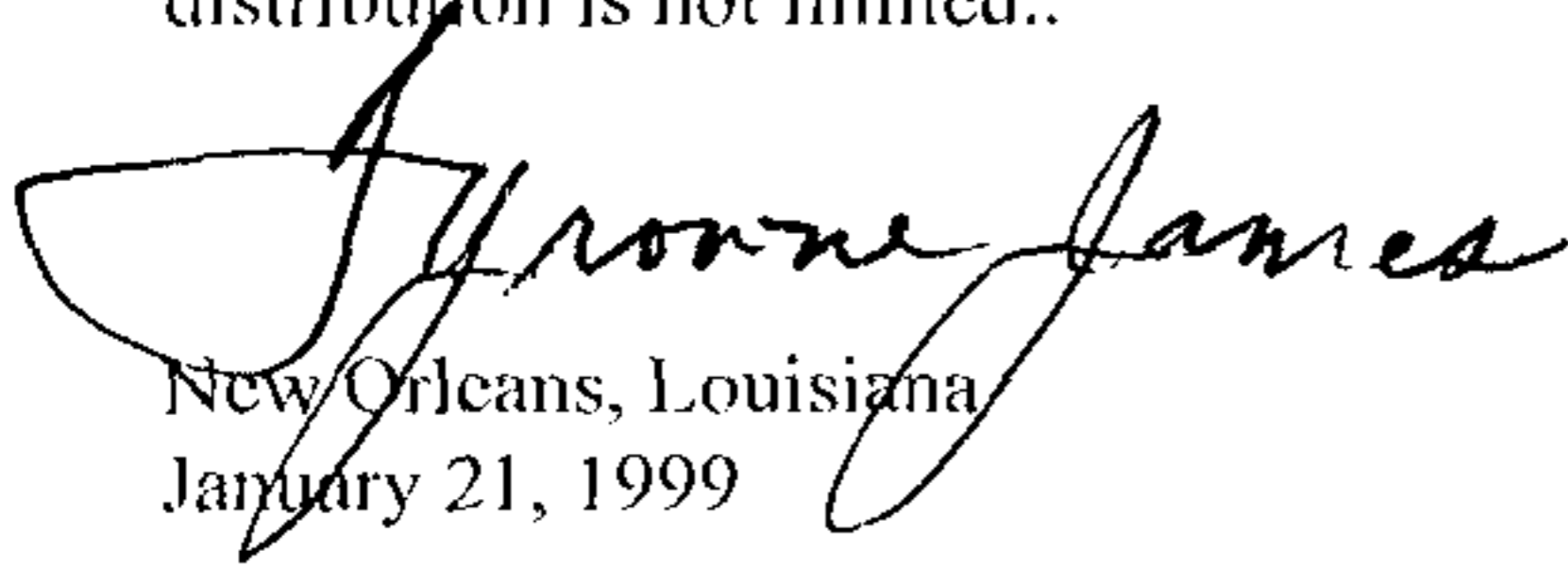
Compliance

As part of obtaining reasonable assurance about whether N.O.E.I.C.'s financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 item 98-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered N.O.E.I.C.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of N.O.E.J.C.'s Board of Directors, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited..

A handwritten signature in cursive script that reads "Jerome James". The signature is written in black ink and is positioned above the typed text.

New Orleans, Louisiana
January 21, 1999

**NEW ORLEANS DRUG EDUCATION INTERVENTION CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD ENDED JUNE 30, 1998**

FINDINGS #1: CURRENT YEAR AUDIT NOT COMPLETED TIMELY

QUESTIONED COSTS: NOT APPLICABLE

CONDITION:

The audit of the financial statements of NOEIC for the year ended June 30, 1998 was not completed timely.

EFFECT OF CONDITION:

The effect of this condition is the organization's noncompliance with the requirements of Louisiana revised statutes (La. Rev. Stat.) 24.513(5)(a).

CRITERIA:

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

RECOMMENDATION:

NOEIC should ensure that all adjustments are made and that the financial statements are prepared in order for the audit to be completed and report submitted within six months after the close of the fiscal year.

NEW ORLEANS

DRUG EDUCATION



INTERVENTION CENTER

Lucille S. Simms
Director

2103 Louisiana Avenue
New Orleans, Louisiana 70115

Phone (504) 269-0204
Fax (504) 269-0205

Board of Directors
Mrs. Zandra Chambers
President
Mr. Larry Bryant
Vice President
Judge Carolyn Gill-Jefferson
Secretary
Mr. Herman Johnson
Treasurer

March 17, 1999

Mr. Tyrone James
Certified Public Accountant
805 Fourth Street
New Orleans, Louisiana 70130

Dear Mr. James:

Re: N.O.I.I.C. 1997-98 Audit Findings

Management's Corrective Action Plan For Current Year Findings

Management has changed its method of providing its outside accountant with the information needed for financial reporting. Monthly bank statements will be sent directly by the bank to our outside accountant. This will enable all adjustments to be made and the financial statements prepared on a timely basis.

Sincerely,

A handwritten signature in cursive script that reads "Lucille S. Simms".

Lucille S. Simms
Director

HIGH RISK YOUTH CAN ACHIEVE

NEW ORLEANS

DRUG EDUCATION



INTERVENTION CENTER

Lucille S. Simms
Director

2103 Louisiana Avenue
New Orleans, Louisiana 70115

Phone (504) 269-0204
Fax (504) 269-0205

Board of Directors
Mrs. Zandra Chambers
President
Mr. Larry Bryant
Vice President
Judge Carolyn Gill-Jefferson
Secretary
Mr. Herman Johnson
Treasurer

**SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 1998**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

<u>FINDINGS</u>	<u>STATUS</u>
1997-1 Canceled checks not located. Procedures should be implemented to ensure that all canceled checks are kept on file.	Resolved.
1997-2 Dormant bank accounts - minimal or no activity. The accounts should be closed or ensure that accounts are monitored.	Resolved.
1997-3 The audit was not completed timely. N.O.E.I.C. should ensure that the auditors are procured so that the auditor's report is issued within six months of the close of the auditee's fiscal year. Administrative support should be provided to the auditors.	Resolved

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

<u>FINDINGS</u>	<u>STATUS</u>
1997- No findings	

SECTION III MANAGEMENT LETTER

1997- None

HIGH RISK YOUTH CAN ACHIEVE