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DEC 17 1999

CENTRAL CITY ADULT EDUCATION AGENCY, INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 1999

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

DEC 29 1999

Release Date _____

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INDEPENDENT AUDITOR'S REPORT

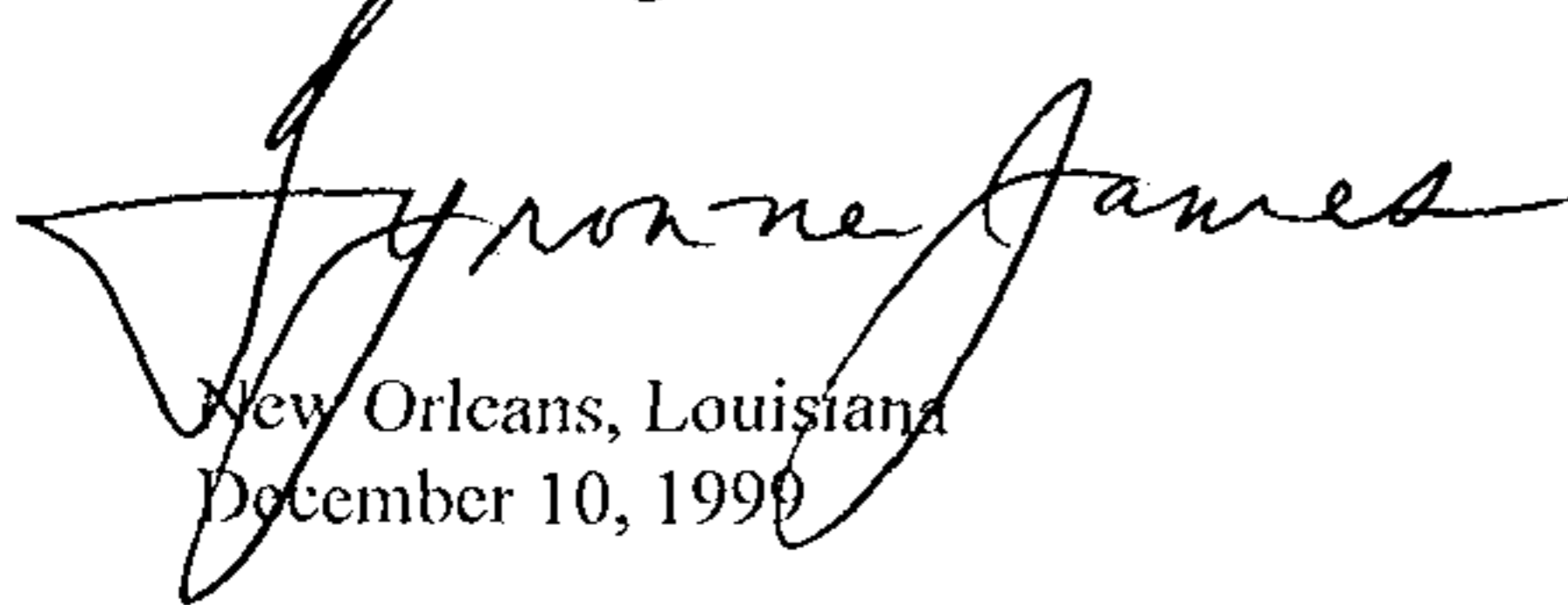
To the Board of Directors of
Central City Adult Education Agency, Inc.

I have audited the accompanying statement of financial position of the Central City Adult Education Agency, Inc. (a nonprofit organization) as of June 30, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Central City Adult Education Agency, Inc.'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; *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 statements 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 Central City Adult Education Agency, Inc. as of June 30, 1999, 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*, I have also issued a report dated December 10, 1999 on my consideration of Central City Adult Education Agency, Inc.'s internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts and grants.


New Orleans, Louisiana
December 10, 1999

CENTRAL CITY ADULT EDUCATION AGENCY , INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 1999

ASSETS

Current Assets

Cash \$ 14,071

Total Current Assets 14,071

Fixed Assets

Equipment \$ 17,866

Accumulated Depreciation (8,549)

Total Fixed Assets 9,317

TOTAL ASSETS \$ 23,388

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable \$ 4,296

TOTAL LIABILITIES 4,296

NET ASSETS

Net Assets 19,092

TOTAL LIABILITIES AND NET ASSETS \$ 23,388

See the Accompanying Notes to the Financial Statements.

CENTRAL CITY ADULT EDUCATION AGENCY , INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999

REVENUE	
Grant Revenue	<u>\$ 110,000</u>
TOTAL REVENUE	110,000
EXPENSES	
Program Services	
Contract Labor	\$ 72,292
Payroll Taxes	5,410
Support Services	
Rent	7,350
Accounting	3,600
Audit Fees	2,500
Office Expense	1,485
Depreciation	3,245
Telephone	2,026
Utilities	130
Insurance	1,181
Bank Charges	55
Miscellaneous	<u>25</u>
TOTAL EXPENSES	<u>99,299</u>
NET CHANGE IN NET ASSETS	<u><u>\$ 10,701</u></u>

See the Accompanying Notes to the Financial Statements.

CENTRAL CITY ADULT EDUCATION AGENCY , INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES

Increase In Net Assets	\$ 10,701
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation Expense	3,245
Increase(decrease) in operating liabilities:	
Accounts Payable	1,744
Payrolls Payable	(1,743)
	<hr/>
Net Increase in Cash From Operating Activities	13,947

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	(8,046)
	<hr/>
Net Decrease in Cash From Investing Activities	(8,046)

NET INCREASE IN CASH AND CASH EQUIVALENTS 5,901

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

 8,170

CASH AND CASH EQUIVALENTS, END OF YEAR

 \$ 14,071

See the Accompanying Notes to the Financial Statements.

CENTRAL CITY ADULT EDUCATION AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1999

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Central City Adult Education Agency, Inc. is located at 2103 Louisiana Avenue in the city of New Orleans. The Agency is a non-profit corporation which provides and offers educationally disadvantaged adults basic education and literary training which prepares the participants for the high school equivalency test.

Basis of Accounting

Central City Adult Education Agency, Inc. uses the accrual method of accounting and follows the standards of accounting and financial reporting outlined by the American Institute of Certified Public Accountants in its Audit and Accounting Guide, *Audits of Not-for-Profit Organizations*.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Central City Adult Education Agency, Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property, Plant and Equipment

Property and equipment are carried at cost. Depreciation is computed using the straight-line method over an estimated useful life of five years.

Income Taxes

Central City Adult Education Agency, Inc. operates as a nonprofit entity and has been granted tax-exempt status by the Internal Revenue Service (IRS) under Section 501(c)(3) of the Internal Revenue Code. The Agency exempt status is recognized by the State of Louisiana. Accordingly, no provision has been made in these statements for federal or state income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals 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 those estimates.

CENTRAL CITY ADULT EDUCATION AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 1999

2. PROPERTY, PLANT & EQUIPMENT

Property, Plant & Equipment consist of the following at June 30, 1999:

Computer Equipment	\$10,726
Office Equipment	<u>7,140</u>
Total	17,866
Less Accumulated Depreciation	<u>(8,549)</u>
Net Property, Plant & Equipment	<u>\$ 9,317</u>

3. GRANTS

Central City Adult Education Agency, Inc. is the recipient of a grant from the Louisiana Department of Education. A total of \$110,000 was received under this grant for the year ending June 30, 1999.

4. ECONOMIC DEPENDENCY

Central City Adult Education Agency, Inc. receives all of its revenue from grants. If budget cuts from funding sources are made at the state and local levels, the amount of funds Central City Adult Education Agency, Inc. receives could be significantly reduced, with resultant adverse impact on revenues and operations.

Management is not aware of any plans on the part of its current funding sources to significantly reduce payments to the Agency.

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CENTRAL CITY ADULT EDUCATION AGENCY, INC.
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
Central City Adult Education Agency, Inc.

I have audited the financial statements of Central City Adult Education Agency, Inc. (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued my report thereon dated December 10, 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 Central City Adult Education Agency, Inc.'s (CCAÉ) 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 statements 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 no instances of noncompliance that are required to be reported under *Government Audit Standards*.

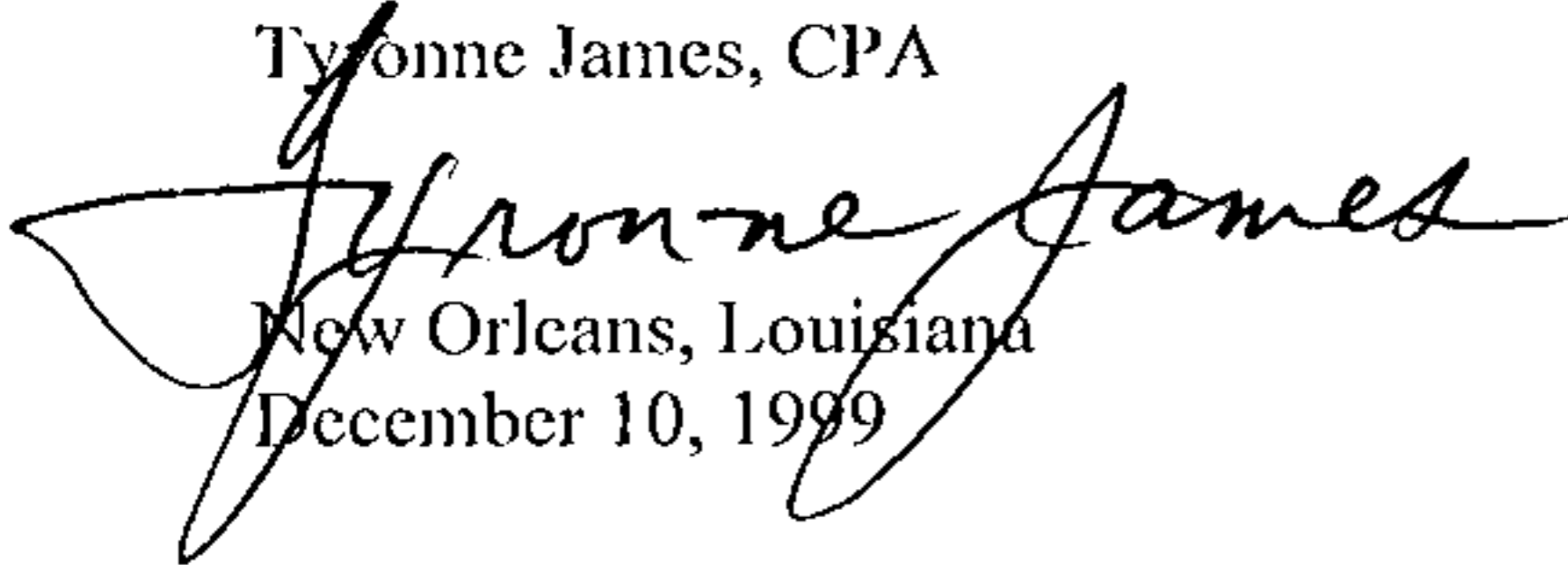
Internal Control Over Financial Reporting

In planning and performing my audit, I considered CCAÉ'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 the board of directors, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distributed is not limited.

Tyonne James, CPA

A handwritten signature in cursive script that reads "Tyonne James". The signature is written in black ink and is positioned over the typed name and date.

New Orleans, Louisiana
December 10, 1999

CENTRAL CITY ADULT EDUCATION AGENCY, INC.

SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 1999

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

FINDINGS

1998 - None

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

FINDINGS

1998 - None

SECTION III MANAGEMENT LETTER

1998 - None