



LUTHER C. SEIGHT & COMPANY
LEGISLATIVE AUDITOR

2000 JAN 03 PM 2:09 Corporation of Certified Public Accountants
and Management Consultants

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DISTRICT 99 ENHANCEMENT CORPORATION, INC.

**FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT THEREON
FOR THE 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

Release Date 1-12-00

DISTRICT 99 ENHANCEMENT CORPORATION, INC.
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LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants
and Management Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
District 99 Enhancement Corporation, Inc.

We have audited the accompanying statement of net assets of District 99 Enhancement Corporation, Inc. (the Organization) (a non-profit organization) for the year ended June 30, 1999 and the related statement of activity, statement of change in net assets 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.

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. 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.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the net assets of District 99 Enhancement Corporation, Inc. and the results of operations and its cash flows for the year ended June 30, 1999 in conformity with generally accepted accounting principles.

New Orleans, Louisiana
December 8, 1999

DISTRICT 99 ENHANCEMENT CORPORATION, INC.

**STATEMENT OF NET ASSETS
AS OF JUNE 30, 1999**

	1999
ASSETS	
Current Assets	
Cash	\$ 21,912
Investments	<u>9,851</u>
Total Current Assets	31,763
Other Assets	
Deposits	1,450
Property and Equipment	<u>55,324</u>
TOTAL	<u><u>\$ 88,537</u></u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Accrued Rent Expense	\$ 21,600
Accounts Payable	15,522
Taxes Payable	<u>2,489</u>
Total Liabilities	<u>39,611</u>
NET ASSETS	
Restricted	44,093
Unrestricted	<u>4,833</u>
Total Net Assets	<u>48,926</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 88,537</u></u>

The accompanying notes are an integral part of the financial statements.

DISTRICT 99 ENHANCEMENT CORPORATION, INC.

STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 1999

	1999		
REVENUE:	Restricted	Unrestricted	Total
Grant Revenue	\$ 318,235	\$	\$ 318,235
Interest Income		1,054	1,054
Other Income		6,596	6,596
	<hr/>	<hr/>	<hr/>
Total Revenue	318,235	7,650	325,885
EXPENSES:			
Support Services:			
Salaries	222,560		222,560
Payroll Taxes	20,869		20,869
Professional Services	6,000		6,000
Audit Fees	4,250		4,250
	<hr/>	<hr/>	<hr/>
Total Support Services:	253,679	0	253,679
Program Services:			
Truck Fuel	5,078		5,078
Truck Expense	13,522		13,522
Insurance	19,262		19,262
Rent	5,400		5,400
Office Supplies	5,690		5,690
Telephone	8,366		8,366
Utilities	1,558		1,558
Consulting Fees	12,000		12,000
Repair & Maintenance	8,522		8,522
Bank Service Charges	149		149
Equipment Rental		4,000	4,000
Other Expenses	5,518		5,518
	<hr/>	<hr/>	<hr/>
Total Program Services	85,065	4,000	89,065
	<hr/>	<hr/>	<hr/>
Total Expenditures	338,744	4,000	342,744
CHANGES IN NET ASSETS	\$ (20,509)	\$ 3,650	\$ (16,859)

The accompanying notes are an integral part of the financial statements.

DISTRICT 99 ENHANCEMENT CORPORATION, INC.

STATEMENT OF CHANGE IN NET ASSETS
AS OF JUNE 30, 1999

	1999
NET ASSETS - JUNE 30, 1998	\$ 52,263
Net Asset Adjustment (Property -Truck)	13,522
NET REVENUE OVER EXPENDITURES	<u>(16,859)</u>
NET ASSETS - JUNE 30, 1999	\$ <u>48,926</u>

The accompanying notes are an integral part of the financial statements.

DISTRICT 99 ENHANCEMENT CORPORATION, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999**

	1999
CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in Net Assets	\$ (16,859)
Adjustments to Reconcile Net Revenues over Expenditures to net Cash Provided by Operating Activities:	
Changes in Operating Assets and Liabilities:	
Accounts Payable	11,772
Accrued Rent Expense	5,400
Taxes Payable	<u>134</u>
Net Increase In Cash From Operating Activities	447
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Machinery and Equipment	(14,277)
Net Asset Adjustment (Property - Truck)	<u>13,522</u>
NET DECREASE IN CASH	(308)
CASH, BEGINNING OF YEAR	<u>32,071</u>
CASH, END OF YEAR	<u><u>\$ 31,763</u></u>

The accompanying notes are an integral part of the financial statements.

**DISTRICT 99 ENHANCEMENT CORPORATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The District 99 Enhancement Corporation office is located at 1616 Caffin Ave., New Orleans, La. 70117. The program began in 1986. District 99 provides information, referrals, and support in the areas of beautification, education outreach, employment opportunities, economic development food bank, health care referrals, housing referrals, judicial referrals, recreation and Church Adopt-A-Mile program. The District 99 Enhancement Corporation has a goal to establish a comprehensive approach to providing vital community services to the constituents of this area.

The primary source of funding for the program is State Grant money. The organization also accepts charitable donations to assist in funding its program but these resources are extremely limited.

Basis of Accounting

The financial statements of the organization are prepared on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned. Expenditures are generally recognized when the related expenditure is incurred.

Property and Equipment

Fixed assets acquired by District 99 Enhancement Corporation were purchased with grant monies as such the respective granting agency is the owner of that property. Such property shall not be disposed of without written approval from the granting agency.

Income Taxes

The corporation was approved as an Exempt Organization under Provision of Sec. 501© (3) of the IRS code effective June 11, 1995. Form 990 return for Organizations Exempt from taxes for the year ended June 30, 1999 has been filed.

Cash

Cash is comprised of cash on hand and in banks.

Investments

The Organization's investments consist of solely of a money market checking account.

Accrued Rent Expense

The organization is disputing their lease agreement with the City of New Orleans. At the time of our engagement the legal proceedings had not concluded but rent expense was accrued for the year ended June 30, 1999.

NOTE 2: PROPERTY AND EQUIPMENT

	1999
Trucks	15,842
Machinery & Equipment	1,958
Tractor & Bush Hog	36,408
Computers	<u>1,116</u>
Total Property & Equipment	55,324

NOTE 3: UNRESTRICTED REVENUE

District 99 Enhancement Corporation received a donation from a private corporation with no documented evidence of restrictions. As such it is reported as an unrestricted revenue and was utilized to secure rental equipment for a local festival. There is also interest income and utility rebates included in the unrestricted category.

NOTE 4: YEAR 2000 ISSUE (UNAUDITED)

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Market's operations as early as 1999. Since the Year 2000 issue is unprecedented, its effects and the success of any remediation efforts by management will not be fully determinable until the Year 2000 and thereafter.



**INDEPENDENT AUDITOR'S 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
District 99 Enhancement Corporation, Inc.

We have audited the financial statements of District 99 Enhancement Corporation, Inc. (the Organization) (a non-profit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 8, 1999. 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 District 99 Enhancement Corporation, Inc. financial statements are free of material misstatement, we 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 our audit and, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization'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 not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions that are also considered to 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

This report is intended for the information of the Organization'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.

New Orleans, Louisiana
December 8, 1999

**DISTRICT 99 ENCHANCEMENT CORP.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1999**

There were no findings or questioned costs noted during our audit of the District 99 Enhancement Corporation for the year ended June 30, 1999.

**DISTRICT 99 ENHANCEMENT CORPORATION
UPDATE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>Resolved</u>	<u>Unresolved</u>
Finding #1 – LACK OF SEGREGATION OF DUTIES		X

MANAGEMENT CORRECTIVE ACTION PLAN

The management of District 99 Enhancement Corporation did not provide a corrective action plan associated with the repeat finding noted on page 10 of this report.