

**SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
NEW ORLEANS, LOUISIANA**

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LEGISLATIVE POSITION

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 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 FEB 24 1999

**ASIF GAFUR MBA, MS
CERTIFIED PUBLIC ACCOUNTANT**

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SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
(A Non-Profit Corporation)

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MEMBER

American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southern Community Development Corporation

I have audited the accompanying statement of financial position of Southern Community Development Corporation, hereafter SCDC (a nonprofit organization), as of June 30, 1998, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of SCDC's management. My responsibility is to express an opinion on these financial statements based on my audit.

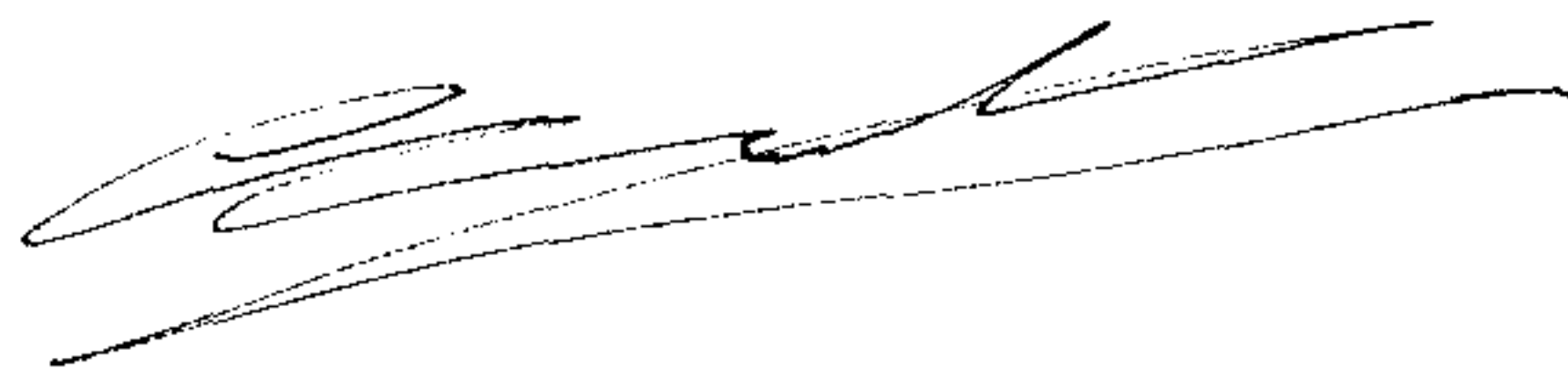
I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable 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 the 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 SCDC 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.

In accordance with Government Auditing Standards, I have also issued my report dated December 20, 1998, on my consideration of SCDC's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was performed for the purpose of forming an opinion on the basic financial statements of SCDC taken as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations,"

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 my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read 'Asif Gafur', with a long horizontal flourish extending to the right.

Asif Gafur
Certified Public Accountant

December 20, 1998

SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1998

	Net Assets		
	Unrestricted	Temporarily Restricted	Total
Assets			
Current Assets			
Cash	\$ -0-	\$ 18,789	\$ 18,789
Grants receivable & other (Note 3)	-0-	71,427	71,427
Due from restricted funds	9,318	-0-	9,318
Total current assets	9,318	90,216	99,534
Fixed Assets			
Equipment & furniture	-0-	9,863	9,863
Less: Accumulated depreciation	-0-	(2,339)	(2,339)
Fixed assets, net	-0-	7,524	7,524
Total assets	\$ 9,318	\$ 97,740	\$ 107,058
Liabilities and Net Assets			
Liabilities			
Current Liabilities			
Accounts payable	\$ -0-	\$ 115,223	\$ 115,223
Accrued liabilities	-0-	14,293	14,293
Due to unrestricted fund	-0-	9,318	9,318
Taxes payable and other	-0-	4,092	4,092
Note payable (Note 4)	-0-	32,434	32,434
Total current liabilities	-0-	175,360	175,360
Net Assets			
Unrestricted	9,318	-0-	9,318
Temporarily restricted	-0-	(77,620)	(77,620)
Total net assets	9,318	(77,620)	(68,302)
Contingencies (Note 6)			
Total liabilities and net assets	\$ 9,318	\$ 97,740	\$ 107,058

**The accompanying report and notes are an integral part
of these financial statements**

**SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 1998**

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Support			
Grants	\$ -0-	\$ 563,092	\$ 563,092
Total support	-0-	563,092	563,092
Revenue			
Rent	-0-	18,019	18,019
Miscellaneous Income	-0-	2,679	2,679
Total revenue	-0-	20,698	20,698
Total support and revenue	-0-	583,790	583,790
Expenses			
Program services			
Therapeutic and medical	-0-	288,813	288,813
Total program services	-0-	288,813	288,813
Supporting services			
Management and general	-0-	156,016	156,016
Facility and household	-0-	122,294	122,294
Dietary	-0-	25,054	25,054
Total supporting services	-0-	303,364	303,364
Total expenses	-0-	592,177	592,177
Change in net assets	-0-	(8,387)	(8,387)
Net assets July 1, 1997	9,318	(69,233)	(59,915)
Net assets June 30, 1998	\$ 9,318	\$ (77,620)	\$ (68,302)

**The accompanying report and notes are an integral part
of these financial statements**

SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1998

	Program Services		Supporting Services			Total Expenses
	Therapy & Medical	Total	Management & General	Facility & Household	Dietary	
Salaries	\$ 265,342	\$ 265,342	\$ 81,856	\$ -0-	\$ 9,266	\$ 356,464
Fringe Benefits	779	779	1,823	-0-	563	3,165
Payroll Taxes	22,361	22,361	6,948	-0-	-0-	29,309
Automobile	-0-	-0-	520	-0-	-0-	520
Bank and Other Charges	-0-	-0-	2,504	-0-	-0-	2,504
Client Allowances	-0-	-0-	2,436	-0-	-0-	2,436
Dues & Subscriptions	-0-	-0-	71	-0-	-0-	71
Depreciation	-0-	-0-	649	-0-	-0-	649
Education & Training	-0-	-0-	1,974	-0-	-0-	1,974
Interest	-0-	-0-	4,004	-0-	-0-	4,004
Insurance	-0-	-0-	65	29,520	-0-	29,585
Licenses & Permits	-0-	-0-	637	-0-	-0-	637
Miscellaneous	-0-	-0-	43	-0-	-0-	43
Postage	-0-	-0-	1,196	-0-	-0-	1,196
Professional Fees	-0-	-0-	31,735	-0-	-0-	31,735
Rental - Building & Auto	-0-	-0-	12,000	59,800	-0-	71,800
Repairs & Maintenance	-0-	-0-	25	12,795	-0-	12,820
Supplies:						
Food	-0-	-0-	-0-	-0-	15,225	15,225
Building	-0-	-0-	-0-	2,983	-0-	2,983
Medical	331	331	-0-	-0-	-0-	331
Office	-0-	-0-	4,767	-0-	-0-	4,767
Telephone	-0-	-0-	2,763	2,142	-0-	4,905
Utilities	-0-	-0-	-0-	15,054	-0-	15,054
TOTAL EXPENSES	\$ 288,813	\$ 288,813	\$ 156,016	\$ 122,294	\$ 25,054	\$ 592,177

The accompanying report and notes are an integral part
of these financial statements

**SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1998**

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ (8,387)
Adjustments to reconcile change in net cash provided by operating activities:	
Depreciation	649
Changes in Assets and Liabilities	
Decrease (increase) in:	
Grants receivable	(29,454)
Increase (decrease) in:	
Accounts payable	32,387
Taxes payable and other	(453)
Note payable	32,434
Accrued liabilities	(1,785)
Net cash provided by operating activities	25,391
Cash Flow from Investing activities:	
Acquisition of property and equipment	(6,602)
Net cash used in investing activities	(6,602)
Increase in cash	18,789
Cash, beginning of year	-0-
Cash, end of period	\$ 18,789

**The accompanying report and notes are an integral part
of these financial statements**

**SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 1998**

Grantor/ Program Title	State Grantor #	Disbursements/ Expenditures
Louisiana Department of Public Safety and Corrections		
Shelter Care Assistance Program	403-518470	\$ 259,112
Total		\$ 259,112

The above amount includes disbursements disallowed and not reimbursed by Department of Corrections, such as interest and certain other charges.

SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
Notes to Financial Statements
June 30, 1998

Note 1: Background and General Data

Southern Community Development Corporation, hereafter SCDC, is a non-profit, community based, social service organization that has been in existence since 1980.

SCDC provides social services to the residents of the economically depressed area which is known as the "Lower Ninth Ward" of New Orleans.

The Lower Ninth Ward, a community of about 35,000 residents, is bounded by the Industrial Canal on the west, the St. Bernard Parish line on the east, Florida Avenue on the south and the Mississippi River on the north. Although there is 58% home ownership, most people in this district are poor and desperately need the services provided by SCDC.

During the year ended June 30, 1998, SCDC operated the following governmentally funded programs:

1. Shelter Care Assistance Program

A center for 12 pre-adjudicated status offenders. This program is funded by the Department of Safety and Corrections.

2. Thompson House

A group home to provide residence for six mentally ill adult males. This program is funded by the Department of Health and Hospitals.

3. Norman House

A group home to provide residence for six mentally ill adult males. This program is funded by the Department of Health and Hospitals.

4. Youth Drug and Crime Prevention

SCDC also received funds from the Governor's Office of Urban Affairs and Development. These funds were used to administer a program to educate youth on crime prevention and the dangers of drug usage.

Note 2:

Summary of Significant Accounting Principles

1. Principles of Accounting

The financial statements of Southern Community Development Corporation (SCDC) are prepared in accordance with generally accepted accounting principles, accordingly, all assets, liabilities, and activities are stated on the accrual basis of accounting.

SCDC is an exempt organization for federal income tax purposes under section 501(c)(4) of the Internal Revenue Code.

SCDC adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, SCDC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, SCDC is required to present a statement of cash flows.

2. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

3. Fixed Assets

Prior to fiscal year ending June 30, 1993, fixed assets required to be capitalized were expensed. The fair value and depreciation of these assets were not material, and were not included in the financial statements.

Under contractual agreement with the various grantors, certain fixed assets purchased and utilized by the corporation revert to the various grantors upon termination of the contracts. Therefore, these fixed assets are charged to expense upon purchase and no depreciation has been provided.

Other fixed assets are recorded at cost, and depreciation is calculated on the straight-line method over the estimated useful lives of

depreciable assets. The depreciation expense for the year was \$649.

4. Total Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Also, such data is not comparable to a consolidation.

5. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

6. Vacation and Sick Leave

SCDC employees earn three hours of vacation time and four hours of sick leave each pay period. Vacation leave earned and not taken by the end of the fiscal year are not carried forward to another year, consequently, the accounts do not reflect any accruals. Additionally, sick leave is not accrued, since the amounts cannot be ascertained with certainty.

Note 3:

Grants Receivable

It consisted of amounts due from grantors at June 30, 1998. Grant revenues for the various programs for the fiscal year ended June 30, 1998 were as follows:

Program	Amount
Thompson House	\$120,237
Norman House	108,833
Youth Drug and Crime Prevention	83,442
SCAP	250,580
Total	\$563,092

Note 4: Note Payable

SCDC has an unsecured note payable to a bank. Monthly payments are for interest at 7.75% annually, matures on December 19, 1998.

Note 5: Deficit

SCDC has \$68,302 of cumulative deficit. This deficit resulted from reductions in grants of Thompson House, Norman House and Day Care Program for fiscal year ending June 30, 1991 and June 30, 1992. Additionally, all prior year expenses incurred by SCAP were not reimbursed by the Department of Corrections, and in FY 92/93, Department of Corrections disallowed \$49,604 of prior period reimbursed expenses. Department of Corrections asserts that these expenses were not in compliance with the stipulations in the contract. The operating result of the programs for fiscal year ending June 30, 1998 were as follows:

Program	Excess (Deficiency)	
Norman House	\$ (7,081)	
Thompson House	7,966	
SCAP	(8,173)	
Youth Drug and Crime Prevention	(1,099)	
Total	\$(8,387)	Net Deficiency

This deficiency for FY 97/98 is included in the cumulative deficit.

Note 6: Contingencies

SCDC was reimbursed for accrued expenses for fiscal year ending June 30, 1990, June 30, 1991 and June 30, 1992. The payments on these expenses are still outstanding from June 30, 1990, June 30, 1991 and June 30, 1992. SCDC asserts the expenses were for appropriate program needs. The possible outcome of this matter is uncertain at this time.

Accordingly, no provision for any liability to the Department of Corrections for these reimbursed accrued expenses has been made in the financial statements. SCDC asserts the reimbursement on these expenses has been considered overbilling by an audit performed for the Department

of Corrections, and this amount was recorded as a liability in the prior years financial statement (see Note 5). However, Department of Corrections has not yet notified SCDC if they have included these reimbursed expenses in the past liability to them.

Note 7: Interprogram Balances

SCDC interprogram receivable and payable balances are as follows as of June 30, 1998:

Program	Rec. (Pay)
Norman House	\$(19,984)
Thompson	18,922
SCAP	(60,369)
Day Care	(1,811)
Administrative 92/93	444
Administrative and Youth Drug and Crime Prevention	53,480
Total	\$(9,318)

This balance of \$ 9,318 is owed to the unrestricted net assets.

Note 8: Leasing Arrangement

The corporation leases its buildings from Ninth Ward Housing Development Corporation. All leases of the corporation are operating leases for a period of one year with renewal options. These leases have been consistently renewed since 1980.

Rent expense on buildings and autos for the year ended June 30, 1998 was \$71,800.

ASIF GAFUR, M.B.A., M.S.

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MEMBER

American Institute of Certified Public Accountants

**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
Southern Community Development Corporation

I have audited the financial statements of Southern Community Development Corporation, hereafter SCDC, (a nonprofit organization), as of and for the year ended June 30, 1998, and have issued my report thereon dated December 20, 1998. 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 SCDC'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* and which are described in the accompanying schedule of findings and questioned costs.

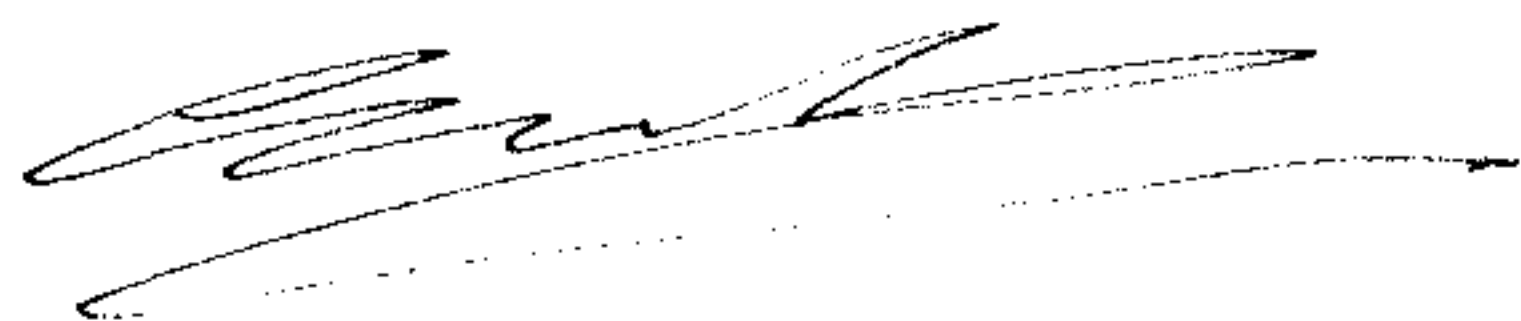
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Internal Control Over Financial Reporting

In planning and performing my audit, I considered SCDC'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. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect SCDC's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

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. My 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, I believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors, management, State of Louisiana, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Asif Gafur
Certified Public Accountant
December 20, 1998

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MEMBER

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Southern Community Development Corporation

Compliance

I have audited the compliance of Southern Community Development Corporation, hereafter SCDC, (a nonprofit organization), with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major state programs for the year ended June 30, 1998. SCDC's major state programs are identified in the Schedule of Expenditures of State Awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of SCDC's management. My responsibility is to express an opinion on SCDC's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about SCDC's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of SCDC's compliance with those requirements.

The results of my audit procedures for Shelter Care Assistance Program, hereafter SCAP, indicated that payments by SCAP are not recoverable under any other contract or agreement.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

However, as described in the accompanying schedule of findings and questioned costs, SCDC did not comply with requirements regarding reporting that are applicable to its Shelter Care Assistance program. Compliance with such requirements is necessary, in my opinion, for SCDC to comply with requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, SCDC complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 1998.

Internal Control Over Compliance

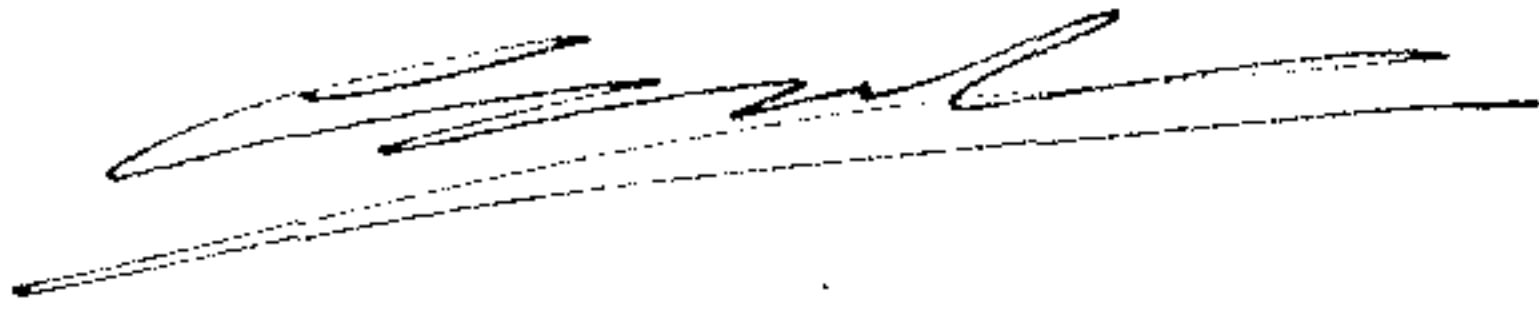
The management of SCDC is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning, and performing my audit, I considered SCDC's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect SCDC's ability to administer a major state program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

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 noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance 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, I believe none of the reportable conditions described above is a material weakness.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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Asif Gafur
Certified Public Accountant
December 20, 1998

**SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 1998**

State of Louisiana - Department of Corrections - Shelter Care Assistance Program

1. Reporting

Per my examination, I noted that cost report accounts balances did not agree with amounts per general ledger. The differences were as follows:

Description	Per Cost Report	Per General Ledger	Difference
Personnel	\$ 138,382	\$ 144,368	\$ (5,986)
Fringe benefits	12,818	12,808	10
Personnel travel	1,227	1,227	-0-
Operating services	73,683	76,215	(2,532)
Operating supplies	15,157	12,058	3,099
Professional services	9,421	9,587	(166)
Other	-0-	646	(646)
Totals	\$ 250,688	\$ 256,909	\$ (6,221)

The above resulted from cost report accounts balances not reconciled periodically with the general ledger accounts balances. I recommend that cost report accounts balances periodically be reconciled to the general ledger accounts balances.

Management Corrective Action Plan

Management has taken necessary action and presently is enforcing its already existence procedure of reconciliation of the cost report amounts to the general ledger amounts in a consistent manner. According to Ms. Kathryn Tousant, Secretary of the Board, the above procedure has been implemented as of December 12, 1998.

SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 1998

State of Louisiana - Governor's Office of Urban Affairs and Development - Youth Drug and Crime Prevention Program

2. Reporting

Per my examination, I noted that the cost report accounts balances did not agree with amounts per the general ledger. The differences were as follows:

Description	Per Cost Report	Per General Ledger	Difference
Salaries	\$ 59,775	\$ 60,659	\$ (884)
Fringe benefits	5,125	5,576	(451)
Operating services	15,636	17,497	(1,861)
Supplies	779	1,060	(281)
Equipment	2,294	2,718	(424)
Total	\$ 83,609	\$ 87,510	\$ (3,901)

The above resulted from cost report accounts balances not reconciled periodically with the general ledger accounts balances. I recommend that cost report accounts balances periodically be reconciled to the general ledger accounts balances.

Management Corrective Action Plan

Management has taken necessary action and presently is enforcing its already existence procedure of reconciliation of the cost report amounts to the general ledger amounts in a consistent manner. According to Ms. Kathryn Tousant, Secretary of the Board, the above procedure has been implemented as of December 12, 1998.

**SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 1998**

State of Louisiana - Shelter Care Assistance Program - Department of Corrections.

1. Reporting

Cost report accounts balances not reconciled with general ledger accounts balances.

Current Status

The above audit finding has presently been corrected.

2. Reporting

Amounts reimbursed by the Department of Corrections to SCDC exceeded the total costs per the general ledger.

Current Status

Presently, reimbursed amounts do not exceed the total general ledger amounts.

State of Louisiana - Youth Drug and Crime Prevention Program - Governor's Office of Urban Affairs and Development

3. Reporting

Funds received from the Governor's Office of Urban Affairs and Development exceeded the total costs per the general ledger.

Current Status

The above audit finding has presently been corrected.

**SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - Continued
YEAR ENDED JUNE 30, 1998**

4. **Reporting**

Cost report accounts balances not reconciled with general ledger accounts balances.

Current Status

The above audit finding has presently been corrected.

All Programs

5. **Timely Completion of the Audit of the Financial Statements**

The audit was not completed within a six month period of the close of the fiscal year as required by state laws.

Current Status

The audit finding has been corrected.

State of Louisiana - Shelter Care Assistance Program, - Department of Corrections

6. **Prior Years' Accrued Expenses Still Outstanding**

Payments on some of the accrued expenses for fiscal years ended June 30, 1990, June 30, 1991, and June 30, 1992 are still outstanding.

Current Status

Management stated that the above are allowable costs and have not been paid because an audit for the Department of Corrections considered these as unallowable costs, and an overbilling of these costs by SCDC to the Department of Corrections, and this amount was recorded as a liability in the prior years financial statement. Department of Corrections

**SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - Continued
YEAR ENDED JUNE 30, 1998**

has not yet notified SCDC if they have included these reimbursed expenses in the past liability to them. The auditee believes the above audit finding is no longer valid, since it has been six to eight years that the accrued expenses have been outstanding and until now the Department of Corrections has not taken any action.

Management Letter

7. Bank Reconciliations

Checks outstanding for a period of time were not investigated to ascertain its current status.

Current Status

Corrective action has been taken.

8. Cash Disbursements

Instances of voided checks not available for examination, certain invoices not paid on time and vendors' outstanding balances were not available.

Current Status

Corrective action has been taken.

9. Payroll Testing

1. Instances of pay rate per payroll register not agreeing with the pay rate in the personnel folder.
2. Instance of voided check that was selected for examination was not available.

**SOUTHERN COMMUNITY DEVELOPMENT CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - Continued
YEAR ENDED JUNE 30, 1998**

3. Instances of withholdings per payroll register not agreeing with W-4's and instances of current W-4 not available in the personnel folder.
4. Instances of hours shown as worked, vacation, sick or compensatory on the time sheet were not easily traceable to the total of the actual daily hours.
5. Instances of hours shown on time sheet as vacation, sick and compensatory were not correctly posted to the subsidiary ledger.

Current Status

Corrective action has been taken.

DATA COLLECTION FORM (SF-SAC)

OMB No. 0348-0057

FORM **SF-SAC**
(8-97)

U.S. DEPARTMENT OF COMMERCE - BUREAU OF THE CENSUS
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

▶ Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO Single Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

PART I GENERAL INFORMATION (To be completed by auditee, except for Item 7)

1. Fiscal year ending date for this submission. Month Day Year 06 / 30 / 98		2. Type of Circular A-133 audit <input checked="" type="checkbox"/> Single audit <input type="checkbox"/> Program-specific audit	
3. Audit period covered <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Other - Months <input type="checkbox"/> Biennial		FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse

5. Employer Identification Number (EIN)

a. Auditee EIN:

7	2	0	9	7	0	4	0	5
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 b. Are multiple EINs covered in this report? Yes No

6. AUDITEE INFORMATION		7. AUDITOR INFORMATION (To be completed by auditor)	
a. Auditee name Southern Community Development		a. Auditor name ASIF GAFUR, CPA	
b. Auditee address (Number and street) Corporation 1008 JOURDAN AVE. City NEW ORLEANS State ZIP Code LA. 70117		b. Auditor address (Number and street) 4659 CHARLMARK DR. City NEW ORLEANS State ZIP Code LA. 70127	
c. Auditee contact Name Ms. KATHYRN TOUSANT Title Secretary of the Board		c. Auditor contact Name ASIF GAFUR Title C.P.A.	
d. Auditee contact telephone (504) 948 - 4493		d. Auditor contact telephone (504) 241 - 9328	
e. Auditee contact FAX (Optional) (504) 948 - 2063		e. Auditor contact FAX (Optional) () -	
f. Auditee contact E-mail (Optional)		f. Auditor contact E-mail (Optional)	

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official Date
Kathryn C. Tousant 12 / 20 / 98
Name/Title of certifying official
Kathryn Tousant / Secretary of the Board

9. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is **not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor Date
ASIF GAFUR 12 / 20 / 98

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)
 1 Cognizant agency 2 Oversight agency

9. Name of Federal cognizant or oversight agency for audit (Mark (X) one box)
- | | | | |
|--|--|---|--|
| <input type="checkbox"/> 01 African Development Foundation | <input type="checkbox"/> 34 Federal Emergency Management Agency | <input type="checkbox"/> 16 Justice | <input type="checkbox"/> 08 Peace Corps |
| <input type="checkbox"/> 02 Agency for International Development | <input type="checkbox"/> 39 Federal Mediation and Conciliation Service | <input type="checkbox"/> 17 Labor | <input type="checkbox"/> 59 Small Business Administration |
| <input type="checkbox"/> 10 Agriculture | <input type="checkbox"/> 39 General Services Administration | <input type="checkbox"/> 43 National Aeronautics and Space Administration | <input type="checkbox"/> 96 Social Security Administration |
| <input type="checkbox"/> 11 Commerce | <input type="checkbox"/> 93 Health and Human Services | <input type="checkbox"/> 89 National Archives and Records Administration | <input type="checkbox"/> 19 State |
| <input type="checkbox"/> 94 Corporation for National and Community Service | <input type="checkbox"/> 14 Housing and Urban Development | <input type="checkbox"/> 05 National Endowment for the Arts | <input type="checkbox"/> 20 Transportation |
| <input type="checkbox"/> 12 Defense | <input type="checkbox"/> 03 Institute for Museum Services | <input type="checkbox"/> 06 National Endowment for the Humanities | <input type="checkbox"/> 21 Treasury |
| <input type="checkbox"/> 84 Education | <input type="checkbox"/> 04 Inter-American Foundation | <input type="checkbox"/> 47 National Science Foundation | <input type="checkbox"/> 82 United States Information Agency |
| <input type="checkbox"/> 81 Energy | <input type="checkbox"/> 15 Interior | <input type="checkbox"/> 07 Office of National Drug Control Policy | <input checked="" type="checkbox"/> 64 Veterans Affairs |
| <input type="checkbox"/> 66 Environmental Protection Agency | | | <input checked="" type="checkbox"/> Other - Specify:
State Legislative Auditor
Other State Departments |

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)
 1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion
2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No
3. Is a reportable condition disclosed? 1 Yes 2 No - SKIP to Item 5
4. Is any reportable condition reported as a material weakness? 1 Yes 2 No
5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance
 1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion
2. What is the dollar threshold to distinguish Type A and Type B programs § .520(b)?
 \$ 300,000
3. Did the auditee qualify as a low-risk auditee (§ .530)?
 1 Yes 2 No
4. Are there any audit findings required to be reported under § .510(a)?
 1 Yes 2 No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)
- | | | | |
|--|--|---|--|
| <input type="checkbox"/> 01 African Development Foundation | <input type="checkbox"/> 34 Federal Emergency Management Agency | <input type="checkbox"/> 16 Justice | <input type="checkbox"/> 08 Peace Corps |
| <input type="checkbox"/> 02 Agency for International Development | <input type="checkbox"/> 39 Federal Mediation and Conciliation Service | <input type="checkbox"/> 17 Labor | <input type="checkbox"/> 59 Small Business Administration |
| <input type="checkbox"/> 10 Agriculture | <input type="checkbox"/> 39 General Services Administration | <input type="checkbox"/> 43 National Aeronautics and Space Administration | <input type="checkbox"/> 96 Social Security Administration |
| <input type="checkbox"/> 11 Commerce | <input type="checkbox"/> 93 Health and Human Services | <input type="checkbox"/> 89 National Archives and Records Administration | <input type="checkbox"/> 19 State |
| <input type="checkbox"/> 94 Corporation for National and Community Service | <input type="checkbox"/> 14 Housing and Urban Development | <input type="checkbox"/> 05 National Endowment for the Arts | <input type="checkbox"/> 20 Transportation |
| <input type="checkbox"/> 12 Defense | <input type="checkbox"/> 03 Institute for Museum Services | <input type="checkbox"/> 06 National Endowment for the Humanities | <input type="checkbox"/> 21 Treasury |
| <input type="checkbox"/> 84 Education | <input type="checkbox"/> 04 Inter-American Foundation | <input type="checkbox"/> 47 National Science Foundation | <input type="checkbox"/> 82 United States Information Agency |
| <input type="checkbox"/> 81 Energy | <input type="checkbox"/> 15 Interior | <input type="checkbox"/> 07 Office of National Drug Control Policy | <input checked="" type="checkbox"/> 64 Veterans Affairs |
| <input type="checkbox"/> 66 Environmental Protection Agency | | | <input checked="" type="checkbox"/> 00 None |
| | | | <input type="checkbox"/> Other - Specify: |

