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CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION

Annual Financial Report

As of and for the Year Ended
December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8/4/04

KEITH J. ROVIRA
Certified Public Accountant

**CARROLLTON COMMUNITY ECONOMIC
DEVELOPMENT CORPORATION**
New Orleans, Louisiana

Annual Financial Statements
and Independent Auditor's Report
As of and for the Year Ended
December 31, 2003

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Carrollton Community Economic Development Corporation
New Orleans, Louisiana

I have audited the accompanying general purpose financial statements of the Carrollton Community Economic Development Corporation as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Carrollton Community Economic Development Corporation. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Carrollton Community Economic Development Corporation as of December 31, 2003, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 17, 2004, on my consideration of the Carrollton Community Economic Development Corporation's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in cursive script that reads "Keith J. Rovira".

Keith J. Rovira
Certified Public Accountant

June 17, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION

New Orleans, Louisiana
Balance Sheet - General Fund
December 31, 2003

ASSETS

Cash (Note B)	\$1,018
Other receivable	<u>600</u>
TOTAL ASSETS	<u>\$1,618</u>

LIABILITIES AND FUND BALANCE

Liabilities:	<u>-</u>
Total Liabilities	<u>-</u>
Fund balance:	
Restricted	\$1,456
Unrestricted	<u>162</u>
Total Fund Balance	<u>1,618</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,618</u>

The accompanying notes are an integral part of this statement.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 New Orleans, Louisiana
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 General Fund
 For the Year Ended December 31, 2003

REVENUE

Grant revenue from governmental agencies	\$59,796
Unrestricted donations	<u>14,000</u>
Total Revenues	<u>73,796</u>

EXPENDITURES

Program services:	
2003 Summer and Fall Tutorial, Kids Come First and Harrell Park programs	41,100
8th floor music video project	7,150
Boiler repair	1,200
Community center	11,110
Crime prevention rally	13,192
Land purchase	1,582
Administration	9,216
Arch repair	<u>265</u>
Total Expenses	<u>84,815</u>

(Deficiency) of Revenues over Expenditures	(11,019)
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Fund Balance, Beginning of Year	<u>12,637</u>
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Fund Balance, End of Year	<u>\$1,618</u>
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2003

INTRODUCTION

The Carrollton Community Economic Development Corporation (CCEDC) was created as an separate legal entity established in September, 1992. It operates independently under its own articles of incorporation which were filed with the Louisiana Secretary of State in the records book of non-profit corporations in October, 1992. The CCEDC has control over all of its own operations. It was originally created for the following reasons: (1) to promote and develop economic opportunity within the community; (2) to provide services, directly and indirectly, to those in need of economic opportunity; (3) to promote the education and welfare of the citizens of the community; (4) to form groups to solve special problems within the community; and (5) to avail itself of the benefits offered by any civic, social, charitable, public or private, state or federal agency engaged in improving the lives of the people in the community.

Board members serve without compensation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying general purpose financial statements of the Carrollton Community Economic Development Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the CCEDC is an independent legal entity established in September, 1992, and operating under its own articles of incorporation which were filed with the Louisiana Secretary of State in the record of non-profit corporations of that same year. The CCEDC has control over all of its own operations. This includes the hiring and retention of contract workers and employees, authority over budgeting, responsibility for funding

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

deficits and operating deficiencies, and fiscal management for controlling the collection and disbursement of funds. Based on these facts, the CCEDC reports as an independent reporting entity and the financial statements include only the transactions of the CCEDC. Furthermore, the CCEDC and its financial transactions are not included as a component unit in the annual financial report of any governmental, political or any other non-profit entity.

3. Fund Accounting

The CCEDC uses a General Fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The General Fund of the CCEDC is classified as a governmental fund. A governmental fund accounts for the CCEDC's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of fixed assets. The General Fund is the general operating fund of the CCEDC, and it accounts for all of its financial resources.

4. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities generally are included on the balance sheet. Operating statements of this fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund. The governmental fund (General Fund) uses the following practices in recording revenues and expenditures:

Revenues:

Grant monies received from governmental entities and unrestricted donations from the general public are recorded in the year they are collected.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

5. Budgets

The CCEDC prepared and adopted an annual budget for the grant money it received for the 2003 Summer and Fall Tutorial, Kids Come First and Harrell Park Programs for the year ended December 31, 2003. The budget was sent to the Louisiana Stadium & Exposition District and made available for public inspection at the office of the CCEDC. The budget was prepared on the cash basis of accounting and was approved by the board of directors. This was a cost-reimbursement type program grant. Budgeted expenditures equaled actual expenditures which both totaled \$41,100. In addition, budgeted and actual grant revenue/receipts both equaled \$41,100.

6. Cash

Cash includes amounts in non-interest bearing checking accounts. Under state law, the CCEDC may deposit funds in demand deposit accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

7. Long-Term Liabilities or Commitments

The CCEDC did not have any long-term liabilities or commitments that were required to be reported in the financial statements.

8. Restricted Net Assets

Restricted net assets represent those portions of net assets legally segregated for a specific future use.

9. Encumbrances

The CCEDC does not employ encumbrance accounting.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 New Orleans, Louisiana
 Notes to the Financial Statements
 December 31, 2003

NOTE B - CASH

At December 31, 2003, the carrying amount (book balance) of all cash of the CCEDC is listed as follows:

Checking accounts	\$ <u>1,018</u>
Total	\$ <u>1,018</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the CCEDC had \$1,093 in deposits (collected bank balances). These deposits were completely secured from risk by federal depository insurance.

NOTE C - GRANT AGREEMENTS AND FUNDED PROJECTS

In the current year, the CCEDC received most of its revenue from various grant programs, which operate as cost-reimbursement type programs. With these types of programs, the CCEDC seeks funding for certain projects by entering into grant agreements with the State of Louisiana, the Louisiana Stadium & Exposition District, or a state or local agency. The funding received from these grantor/agencies goes directly to cover the actual expenditures incurred for the intended purpose of that particular project. Projects that received funding and were started and completed during 2003 include the following: (1) the 2003 Summer and Fall Tutorial, Kids Come First and Harrell Park Programs, and (2) the 8th Floor Music Video Project.

In addition, there were unused and restricted funds received in a year prior to 2003 for projects that began in those prior years, but were not completed by December 31, 2002.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2003

NOTE C - GRANT AGREEMENTS AND FUNDED PROJECTS (CONTINUED)

These remaining funds were dedicated to those projects and were carried over into the current year (2003). The projects were completed when the carryover funds were completely expended for their particular purpose. Those projects include the following: (1) funding for compensation for a supervisor to oversee the day-to-day operations and activities of the planning of the new Community Center; (2) the arch repair at the intersection of Carrollton Avenue and Fountainbleau Drive; (3) the boiler repair at Incarnate Word church located on Apricot Street in New Orleans; and (3) the new Community Center Land Acquisition project.

Also, the CCEDC received funding from the general public and sponsorships from corporations for the Crime Prevention Rally. The rally, which is open to the general public, brings the community to Palmer Park for refreshments, food, fun and entertainment. All contributions received went towards the expenditures of the rally. For this project, \$14,000 was received and all but \$1,079 was used up for the 2003 rally. This remaining amount will be carried forward to 2004 and used only for the Crime Prevention Rally held in 2004.

Carrollton Community Center

Finally, the CCEDC entered into a cooperative endeavor agreement with the State of Louisiana in a prior year for the purpose of funding the planning and construction of the new Carrollton Community Center. The project has already begun and construction is expected to begin in year 2005. This capital outlay/construction project incurred expenditures in 2003 totaling \$11,100 for architect fees, fencing, demolition, lot maintenance and preparation, and survey fees. This same amount was reimbursed by the state during the year. All future expenditures will be handled on a cost-reimbursement basis or a draw-down of the line of credit extended by the State of Louisiana and approved by the Louisiana State Bond Commission. The funding of the entire project is being overseen by the Louisiana Division of Administration's, Facility Planning and Control department. Construction project budgets will be maintained and amended as events and circumstances require.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Notes to the Financial Statements
December 31, 2003

NOTE D - LITIGATION AND CLAIMS

The CCEDC is not a defendant in any lawsuits which would require a liability to be recorded in its financial statements as of December 31, 2003.

SUPPLEMENTARY INFORMATION SCHEDULES

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 New Orleans, Louisiana
 Supplementary Information Schedule (Continued)
 Statement of Activities
 For the Year Ended December 31, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Grant revenue from governmental agencies	-	\$59,796	\$59,796
Unrestricted donations	\$14,000	-	14,000
Net assets released from restrictions	<u>70,091</u>	<u>(70,091)</u>	<u>-</u>
Total Revenues	<u>84,091</u>	<u>(10,295)</u>	<u>73,796</u>
<u>EXPENSES</u>			
Program services:			
2003 Summer and Fall Tutorial, Kids Come First and Harrell Park programs	41,100		41,100
8th floor music video project	7,150		7,150
Boiler repair	1,200		1,200
Community center	11,110		11,110
Crime prevention rally	13,192		13,192
Land purchase	1,582		1,582
Administration	9,216		9,216
Arch repair	<u>265</u>		<u>265</u>
Total Expenses	<u>84,815</u>	<u>-</u>	<u>84,815</u>
(Decrease) in Net Assets	(724)	(10,295)	(11,019)
Net Assets, Beginning of Year	<u>886</u>	<u>11,751</u>	<u>12,637</u>
Net Assets, End of Year	<u>\$162</u>	<u>\$1,456</u>	<u>\$1,618</u>

The accompanying notes are an integral part of this statement.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Supplementary Information Schedule (Continued)
Statement of Functional Expenses
For the Year Ended December 31, 2003

2003 Summer and Fall Tutorial, Kids Come First and Harrell Park programs	<u>\$41,100</u>
8th floor music video project	<u>\$7,150</u>
Boiler repair	<u>\$1,200</u>
Community center - capital outlay	<u>\$11,110</u>
Crime prevention rally	<u>\$13,192</u>
Land purchase	<u>\$1,582</u>
Administration - personnel	<u>\$9,216</u>
Arch repair	<u>\$265</u>

The accompanying notes are an integral part of this statement.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Supplementary Information Schedule (Continued)
Summary Schedule of Prior Year Audit Findings and
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2003

I have audited the accompanying general purpose financial statements of the Carrollton Community Economic Development Corporation as of and for the year ended December 31, 2003, and have issued my report thereon dated June 17, 2004. 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. My audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section I - Summary of Auditor's Report and Findings

There was one material weakness in internal control that was a reportable condition which required disclosure in this audit report (Finding No. 1).

There were no instances of noncompliance that were required to be reported in this audit report.

There were no other findings, required to be reported, and no management letter was issued for the current audit period.

The Carrollton Community Economic Development Corporation did not receive any federal funds during the twelve months ended on December 31, 2003.

CARROLLTON COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
New Orleans, Louisiana
Supplementary Information Schedule (Continued)
Summary Schedule of Prior Year Audit Findings and
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2003

Section II - Financial Statement Finding

Finding No. 1

Fiscal Year Finding Initially Occurred: December 31, 2003

Finding Described: The size of the CCEDC's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Contact Person:

Ms. Mary L. Stewart
Carrollton Community Economic
Development Corporation
New Orleans, Louisiana
504-484-0929

Anticipated Completion Date: Not applicable.

OTHER REQUIRED REPORTS

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

Board of Directors of the
Carrollton Community Economic Development Corporation
New Orleans, Louisiana

I have audited the general purpose financial statements of the Carrollton Community Economic Development Corporation as of and for the year ended December 31, 2003, and have issued my report thereon dated June 17, 2004. 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 a part of obtaining reasonable assurance about whether the Carrollton Community Economic Development Corporation's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

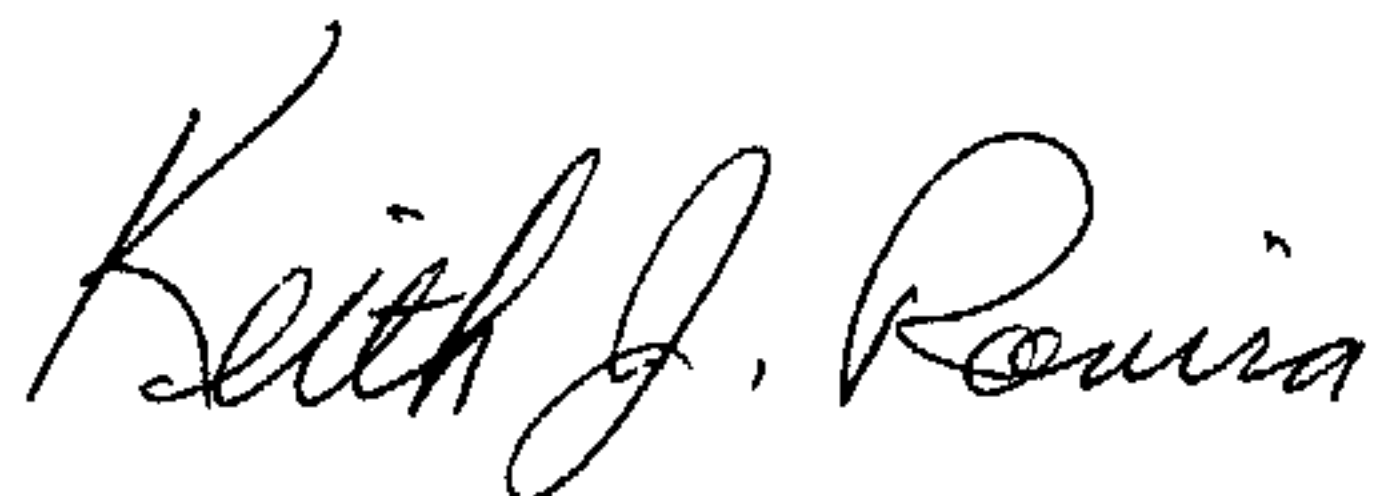
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Carrollton Community Economic Development Corporation's internal control over

financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. 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 judgement, could adversely affect the CCEDC's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. This reportable condition is described in the accompanying Schedule of Audit Findings in the Supplementary Information section of this audit report and is referenced as Finding No. 1.

A material weakness is a reportable 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 general purpose 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 considered the reportable condition described above to be a material weakness.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Rovira
Certified Public Accountant

June 17, 2004