

Lower Algiers Community Development Association, Inc.

**Accountant's Compilation and Attestation Reports,
With Financial Statements and
Notes To the Financial Statements**

For The Year Ended June 30, 2004

Deemer CPA and Consulting Services, LLC

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 2/2/05

Lower Algiers Community Development Association, Inc.
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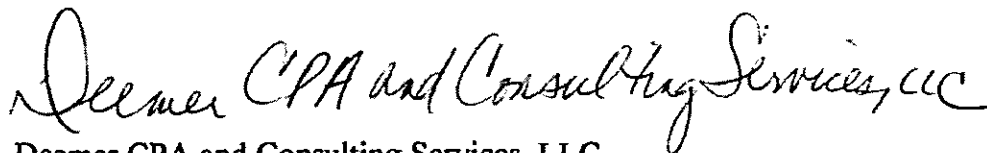
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Accountant's Compilation Report

To the Board of Director's of
Lower Algiers Community Development Association, Inc.

I have compiled the accompanying statement of financial position of Lower Algiers Community Development Association, Inc. as of June 30, 2004, and the related statement of activities, cash flows, and schedule of functional expenses for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.



Deemer CPA and Consulting Services, LLC
New Orleans, Louisiana
December 20, 2004

Lower Algiers Community Development Association, Inc.
Statement of Financial Position
As of June 30, 2004

Assets

Cash	\$	8,546
Prepaid Expenses		3,197
Accounts Receivable		<u>2,453</u>

Total Assets \$ 14,196

Liabilities and Net Assets

Accounts Payable	\$	1,660
Accrued Salaries & Benefits		180
Line of Credit		<u>3,632</u>

Total Liabilities 5,472

Net Assets

Unrestricted 8,724

Total Net Assets 8,724

Total Liabilities and Net Assets \$ 14,196

The accompanying notes are an integral part of these financial statements

Lower Algiers Community Development Association, Inc.
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	<u>Unrestricted</u>
Revenues	
Grant revenue	\$ 170,211
Total revenues	170,211
 Expenses	
Program Services	\$ 160,877
Support Services	580
Total Expenses	161,457
Change In Net Assets	\$ 8,754
Net Assets At Beginning Of Year	(30)
Net Assets At End Of Year	\$ 8,724

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

Lower Algiers Community Development Association, Inc.
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2004

Cash Flows From Operating Activities:

Changes in Net Assets	\$	8,754
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities		
Depreciation Expense		580
Changes in Operating Assets and Liabilities		
Prepaid Expenses		(3,197)
Accounts Receivable		(2,453)
Accounts Payable		131
Line of Credit		0
Accrued Salaries and Benefits		<u>(1,853)</u>
Net Cash Provided by Operating Activities		1,962

Cash Flows From Investing Activities:

Purchase/Sale of Investments and Securities		<u>0</u>
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Net Cash Provided by Investing Activities		0
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Cash Flows From Financing Activities:

Net Cash Provided by Financing Activities		0
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Net Cash Increase for Period		1,962
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Cash, At Beginning of Period July 1, 2003		<u>6,584</u>
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Cash, At End of Period June 30, 2004	\$	<u><u>8,546</u></u>
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The accompanying notes are an integral part of these financial statements.

Lower Algiers Community Development Association, Inc.
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2004

1. Summary of Significant Accounting Principles

General – Lower Algiers Community Development Association, Inc. is a nonprofit corporation located at 6400 General Meyer Avenue, in Algiers, Louisiana. The organization provides many social services including counseling, meals, social and recreational activities and computer training to senior citizen and youth clients.

Lower Algiers Community Development Association, Inc.'s main source of funding is grants from the New Orleans Council on Aging, ACT 14, and Governor's Office of Urban Affairs.

Basis of Accounting – Lower Algiers Community Development Association, Inc.'s financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

Income Taxes – Lower Algiers Community Development Association, Inc. has been determined to be tax exempt under Section 501 (c) 3 of the Internal Revenue Code.

Cash - Cash is comprised of cash on hand and in banks.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Accounts Receivable

Accounts receivable in the amount of \$2,453 at June 30, 2004 consists of tax overpayments to the Louisiana Department of Revenue.

3. Prepaid Expenses

Lower Algiers Community Development Association, Inc. had prepaid insurance and rent expenses at June 30, 2004 in the amount of \$3,197.

4. Restrictions on Net Assets

Restrictions placed on net assets are related to the funds received by Lower Algiers Community Development Association, Inc. from federal grant awards. These restrictions are released as grant rules and regulations are met by the organization. At June 30, 2004 Lower Algiers Community Development Association, Inc. did not have any restricted net assets.

5. Economic Dependency

Lower Algiers Community Development Association, Inc. receives all of its revenue from grants. The agency's ability to acquire grant funds each year significantly impacts their revenues and operations. Management is unaware of any changes in its current funding sources.

Lower Algiers Community Development Association, Inc.
Schedule of Functional Expenses
For the Fiscal Year Ended June 30, 2004

	<u>Heitmeier</u>	<u>Governor's Office Of Urban Affairs</u>	<u>ACT 14</u>	<u>New Orleans Council On Aging</u>	<u>General & Admin.</u>	<u>Total</u>
Payroll Expenses	\$ 498	\$ 5,572	\$ 29,775	\$ 32,854	\$ -	\$ 68,699
Fringe Benefits	38	431	2,355	2,940	-	5,764
Contractual Services	1,000	2,539	17,745	8,408	-	29,692
Telephone	524	500	3,011	3,011	-	7,046
Supplies	58	2,936	5,286	2,379	-	10,659
Insurance	1,504	3,852	-	9,636	-	14,992
Alarm	-	-	-	338	-	338
Utilities	196	671	1,002	1,002	-	2,871
Depreciation	-	-	-	-	580	580
Repairs & Maintenance	527	1,544	1,515	1,409	-	4,995
Rent Expense	655	655	3,273	3,273	-	7,856
Recreation	-	1,200	-	4,329	-	5,529
Gasoline	-	100	-	2,336	-	2,436
Miscellaneous	-	-	-	-	-	-
Total Expenses	\$ 5,000	\$ 20,000	\$ 63,962	\$ 71,915	\$ 580	\$ 161,457

See Accountant's Compilation Report.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)**

December 3, 2004

Deemer CPA and Consulting Services, LLC

4335 Werner Drive

New Orleans, Louisiana 70126

(Auditors)

In connection with your review of our financial statements as of June 30, 2004 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 3, 2004.

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes [] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Mary A. Spornwhite Secretary 12/6/04 Date

Leah Jones Treasurer 12/6/04 Date

____ President _____ Date

**ATTESTATION REPORT
 (Quasi-Public Entity)**

**Independent Accountant's Report
 on Applying Agreed-Upon Procedures**

To the Management of Lower Algiers Community Development Association, Inc.

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Lower Algiers Community Development Association, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Lower Algiers Community Development Association's compliance with certain laws and regulations during the period ended June 30, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Grant Source	Grant Period	Grant Award	Grant Revenue 7/1/03 – 6/30/04
ACT 14	10/1/03- 9/30/04	\$ 75,000	\$ 73,295
Governor's Office of Urban Affairs	10/1/03- 9/30/04	\$ 30,000	\$ 25,000
New Orleans Council on Aging, Inc.	7/1/03- 6/30/04	\$ 70,716	\$ 71,916
Total			\$170,211

2. For each Federal, state, and local award, I randomly selected 6 disbursements from the award administered during the period under examination.
There were three separate funding sources, from which 6 disbursements were randomly selected during the period of July 1, 2003 through June 30, 2004.
3. For the items selected in procedure 2, I attempted to trace the eighteen disbursements to supporting documentation as to proper amount and payee.
I have examined cancelled checks for each of the eighteen selected disbursements to determine whether or not the proper amount was made payable to the correct payee. There were no exceptions noted during this procedure.
4. For the items selected in procedure 2, I attempted to determine if the eighteen disbursements were properly coded to the correct fund and general ledger account.
The eighteen disbursements examined appeared to be coded to the correct fund, however there was one expense examined in the amount of \$2,476 which was coded to the incorrect general ledger account. The \$2,476 was for computer purchases but was coded to an office supply account.
5. For the items selected in procedure 2, I attempted to determine whether the eighteen disbursements received approval from proper authorities.
The eighteen disbursements tested appeared to have approval from the proper authorities through review of supporting documentation and check signatures.
6. For the items selected in procedure 2: For federal, state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed. The allowability requirements appeared to be met for each of the eighteen disbursements, because expenditures were included in the approved budget and appeared to coincide with the goals of the program.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements. Disbursements were in accordance with the approved budget for eighteen disbursements reviewed.

Reporting

I reviewed the previously listed disbursements for reporting requirements. Seventeen disbursements were reported properly, however, one item in the amount of \$2,476 as previously mentioned was not properly recorded.

7. For the programs selected for testing in item (2), I planned to compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no required close-out reports provided for the programs and period under examination.

Meetings

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Management has asserted that "open meetings" documents were properly posted on the door of board meetings, and complete agendas were made available, as required. I was provided a copy of the documents that were posted which appeared to have met the open meetings LSA-RS 42:1 through 42-12 requirements.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Lower Algiers Community Development Association, Inc. provided comprehensive budgets to the applicable local, state, and federal grantors for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the project, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. I reviewed the prior year audit report for any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Lower Algiers Community Development Association, Inc. had no prior year findings.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the management of Lower Algiers Community Development Association, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Deemer CPA and Consulting Services, LLC
December 20, 2004