



BRENDEL W. DEEMER, CPA  
bwdeemer@bellsouth.net

LOUISIANA COMMUNITY ECONOMIC RESOURCE CENTER, INC.

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

For The Year Ended December 31, 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 7-13-05

**Louisiana Community Economic Resource Network, Inc.**  
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**Accountant's Review Report**

To the Board of Director's of  
Louisiana Community Economic Resource Network, Inc.

I have reviewed the accompanying statement of financial position of Louisiana Community Economic Resource Network, Inc. (a non-profit corporation, herein referred to as LCERN) as of December 31, 2004, and the related statement of activities and cash flows 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. All information included in these financial statements is the representation of the management of LCERN.

A review consists principally of inquiries of LCERN's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

  
Deemer CPA and Consulting Services, LLC  
New Orleans, Louisiana  
June 29, 2005

**LA Community Economic Resource Network  
Statement of Financial Position  
As of December 31, 2004**

<b>Assets</b>	
Current Assets	
Cash	<u>\$ 18,427</u>
Total Current Assets	18,427
Fixed Assets(Net)	
Equipment	6,748
Less: Accumulated Depreciation	<u>(4,498)</u>
Fixed Assets (Net)	2,250
Total Assets	<u>\$ 20,677</u>
<b>Liabilities and Net Assets</b>	
Current Liabilities	
Payroll liabilities	\$ 1,942
Accounts Payable	1,888
Line of Credit	<u>13,875</u>
Total Liabilities	17,705
<b>Net Assets</b>	
Unrestricted	<u>2,972</u>
Total Net Assets	2,972
Total Liabilities and Net Assets	<u><u>\$ 20,677</u></u>

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

**LA Community Economic Resource Network  
Statement of Activities  
For the Year Ended December 31, 2004**

**Revenues**

Grant Revenue	<u>\$ 287,644</u>
Total Revenues	287,644

**Expenses**

Program Expenses	250,834
Support Services	<u>39,968</u>
Total Expenses	<u>290,802</u>
Change in Net Assets	(3,158)
Net Assets Beginning of Period	<u>6,130</u>
Net Assets End of Period	<u><u>\$ 2,972</u></u>

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

**LA Economic Community Resource Network  
Statement of Cash Flows  
For the Year Ended December 31, 2004**

**Cash Flows From Operating Activities:**

Changes in Net Assets	\$ (3,158)
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	2,249
Changes in Operating Assets and Liabilities	
Payroll Liabilities	(2,168)
Line of Credit	3,875
Accounts Payable	<u>1,888</u>
 Net Cash Provided by Operating Activities	 2,686

**Cash Flows From Investing Activities:**

Purchase of Fixed Assets	(670)
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**Cash Flows From Financing Activities:**

Proceeds/Retirement of Loan	(6,165)
 Net Cash Increase for Period	 (4,149)
 Cash, At Beginning of Period January 1, 2003	 <u>22,576</u>
 Cash, At End of Period December 31, 2003	 <u><u>\$ 18,427</u></u>

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

**Louisiana Community Economic Resource Network, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2004**

**1. Summary of Significant Accounting Principles**

**General** – Louisiana Community Economic Resource Network, Inc. (LCERN) is a nonprofit corporation located at 4205 ½ Canal Street, in New Orleans, Louisiana. The agency’s “mission is to promote improving the quality of life for families in the New Orleans community.” The organization pursues its mission through activities that promote economic development, empowerment of individuals and the community, and housing and family services.

**Basis of Accounting** - LCERN’s financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

**Property and Equipment** - The straight line method of depreciation is used for the assets owned by LCERN, Inc. The estimated useful life of these assets is 3 years.

**Income Taxes** - LCERN, Inc. has been given an advanced determination ruling by the Internal Revenue Service under tax exempt Section 501 (c) 3 of the Internal Revenue Code. The advance ruling period ended on December 31, 2004. The agency awaits a final determination.

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

**2. Restrictions on Net Assets**

Restrictions placed on net assets are related to the funds received by LCERN, Inc. from state and federal grant awards. These assets are released from restrictions as grant rules and regulations are met by the organization.

**Line of Credit** - The agency secured a line of credit with a local bank which has current repayment terms. The bank may exercise its right to revoke the loan at any time.

**LA Community Economic Resource Network  
Schedule of Functional Expenses  
For the Year Ended December 31, 2004**

Expenses:	URBAN		TANF		Total
	Program Services	Support Services	Program Services	Support Services	
Payroll Expenses	0	19,000	173,120	12,750	204,870
Payroll Taxes	0	3,060	19,254	2,239	24,553
Rent Expense	0	0	16,792	0	16,792
Professional Services	13,824	0	7,733	0	21,557
Contract Labor	1,400	0	0	0	1,400
Supplies	2,946	0	15,765	670	19,381
Depreciation	0	2,249	0	0	2,249
<b>Total</b>	<b>\$ 18,170</b>	<b>\$ 24,309</b>	<b>\$ 232,664</b>	<b>\$ 15,659</b>	<b>\$ 290,802</b>

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

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

June 24, 2005

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 December 31, 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 June 24, 2005.

**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.

[Signature] Secretary  
Date

[Signature] Treasurer  
July 29, 2015 Date

[Signature] President  
Date

Independent Accountant's Report  
 on Applying Agreed-Upon Procedures

To the Management of Louisiana Community Economic Resource Network, Inc.  
 (LCERN)

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of LCERN, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about LCERN's compliance with certain laws and regulations during the year ended December 31, 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, we 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.

LCERN's award expenditures for all programs for the fiscal year follow:

Grant Name	Grant Year	CFDA No.	Amount
<u>TANF - Federal</u>	2004	93..558	248,323
<u>Governor's Office of Urban Affairs-State</u>	2004	n/a	42,479
Total Expenditures			290,802

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements from each grant (total of 12) and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements from each grant were properly coded to the correct fund and general ledger account.

Each of the twelve disbursements were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements from each grant received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the executive director. In addition, two of the larger disbursements (>\$5,000) were traced to LCERN's minutes from Board meetings and they were approved by the board of directors.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements in the Compliance Supplement and for the state award, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. There were no exceptions noted in reviewing the expenditures for activities allowed or unallowed.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. There were no exceptions noted in reviewing the expenditures for eligibility, all agreed to previously budgeted line items.

## Reporting

We reviewed the previously listed disbursements for reporting requirements. There were no exceptions noted in reviewing the expenditures for reporting. The items selected were traced to reimbursement requests without exception.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

Neither of the two programs at this agency were closed during the period under review.

## Meetings

8. We 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).

LCERN is only required to post a notice of each meeting and the accompanying agenda on the door of their office building. Management asserts that such documents were properly posted, however, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

## 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.

LCERN provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

## Prior Comments and Recommendations

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

In the agreed-upon procedures engagement for the year ended December 31, 2003, we reported no current findings.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Louisiana Community Economic Resource Network, 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 the Legislative Auditor as a public document.

  
Deemer CPA and Consulting Services, LLC

June 29, 2005