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THE CARROLLTON COMMUNITY CENTER, INC.
FINANCIAL AND COMPLIANCE AUDITS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2001

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 JAN 16 2002

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Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Carrollton Community Center, Inc.

We have audited the accompanying statement of financial position of **The Carrollton Community Center, Inc. (the Center)** (a non-profit corporation) as of June 30, 2001, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of **the Carrollton Community Center's, Inc.** management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **The Carrollton Community Center, Inc.** as of June 30, 2001, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
The Carrollton Community Center, Inc.
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2001 on our consideration of **The Carrollton Community Center's, Inc.** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 our audit.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 21, 2001

THE CARROLLTON COMMUNITY CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2001

ASSETS

Cash	\$ 58,189
Grants receivable (NOTE 5)	60,246
Other receivable	5,636
Equipment, net of accumulated depreciation of \$155,299 (NOTES 2 and 6)	<u>34,991</u>
Total assets	<u>\$159,062</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 16,647
Due to funding sources (NOTE 7)	<u>45,934</u>
Total liabilities	<u>62,581</u>
Commitments and Contingencies (NOTE 8)	
Net Assets (NOTE 2):	
Unrestricted	<u>96,481</u>
Total net assets	<u>96,481</u>
Total liabilities and net assets	<u>\$159,062</u>

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

THE CARROLLTON COMMUNITY CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2001

Support and Revenues:	
Grants	\$297,102
Day care payments	209,414
Interest	292
Other	<u>18,256</u>
Total operating revenues	<u>525,064</u>
Expenses:	
Program services	277,259
Support services	<u>229,405</u>
Total operating expenses	<u>506,664</u>
Changes in net assets	<u>18,400</u>
Net assets, beginning of year	<u>78,081</u>
Net assets, end of year	<u>\$ 96,481</u>

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

THE CARROLLTON COMMUNITY CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001

Cash Flows from Operating Activities:

Changes in net assets	\$ 18,400
Adjustments to reconcile changes in net cash to net cash provided by operating activities:	
Depreciation	28,904
(Decrease) Increase in grants receivable	(20,715)
(Decrease) Increase other receivable	(850)
(Decrease) Increase in accounts payable	(19,944)
(Decrease) increase in due to funding source	<u>(1,400)</u>
Net cash provided by operating activities	<u>4,395</u>

Cash Flows from Investing Activities:

Purchase of equipment	<u>(4,265)</u>
Net cash used in investing activities	<u>(4,265)</u>
Net increase (decrease) in cash	130
Cash, Beginning of year	<u>58,059</u>
Cash, End of year	<u>\$ 58,189</u>

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

THE CARROLLTON COMMUNITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Salaries	\$112,760	\$96,055	\$208,815
Fica Expense	7,095	6,043	13,138
Medicare taxes	1,480	1,260	2,740
SUTA expense	304	259	563
Hospitalization	21,822	18,589	40,411
Worker's compensation	2,492	2,123	4,615
Travel	1,466	-0-	1,466
Rent	15,098	12,862	27,960
Telephone	4,133	3,521	7,654
Insurance	18,869	16,074	34,943
Repairs and maintenance	13,777	-0-	13,777
Food purchases	24,674	-0-	24,674
Training and seminar	305	-0-	305
Accounting services	-0-	30,000	30,000
Copier rental	1,729	1,473	3,202
Gas, oil, and maintenance	14,042	-0-	14,042
Office supplies	1,919	1,635	3,554
Medical supplies	830	-0-	830
Program supplies	3,325	-0-	3,325
Van lease	4,500	-0-	4,500
Depreciation expense	-0-	28,904	28,904
Consultant services	23,390	-0-	23,390
Janitorial supplies	2,058	-0-	2,058
Bank charges	-0-	934	934
Membership dues	448	-0-	448
License and fees	0	1,189	1,189
Miscellaneous	743	484	1,227
Professional fees	-0-	8,000	8,000
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$277,259</u>	<u>\$229,405</u>	<u>\$506,664</u>

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

THE CARROLLTON COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

The Carrollton Community Center, Inc. (the Center) was organized to encourage, promote and provide facilities and services for senior citizens of the community. **The Center** shall promote programs to upgrade the standard of living for senior citizens and indigents of the community.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The Carrollton Community Center, Inc. (the Center) is a non-profit, community based organization whose financial statements are prepared on the accrual basis. 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Reporting

The Center has adopted the provisions of Statement of Financial Accounting Standards SFAS No. 117, "Financial Statements of Not-for-Profit Organizations," which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to external (donor) imposed restrictions.

A description of the three net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the missions of **the Center** are included in this category.

THE CARROLLTON COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Reporting, Continued:

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor imposed restrictions (capital improvements, etc.) have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

At June 30, 2001, the Center did not have any temporarily or permanently restricted net assets.

Equipment

Equipment of the Center is recorded as assets and are stated at historical costs if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Equipment	5 years
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Depreciation expense for the year ended June 30, 2001 totaled \$28,904.

THE CARROLLTON COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Support and Revenues

Revenues received under government grant programs are recognized when earned.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor or the board of directors.

Cash Equivalents

For purposes of the statement of cash flows, **the Center** considers all short-term, highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Functional Allocation of Expenses

The costs of providing the various programs and 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.

Allowance for Losses

Allowances for estimated losses on receivables are provided when, in the opinion of management, such losses are expected to be incurred. Management evaluates the carrying value of these assets at least annually and the allowances are adjusted accordingly.

NOTE 3 - Economic Dependency:

The primary source of revenue for **Carrollton Community Center, Inc.** is state and local grants provided through various funding agencies. The continued success of **the Center** is dependent upon the renewal of contracts from current funding sources as well as obtaining new funding.

THE CARROLLTON COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Income Taxes:

The Center is exempt from federal income taxes under code section 501(c)(3) of the Internal Revenue Code.

NOTE 5 - Grants Receivable:

Grant receivables consists of the following as of June 30, 2001:

City of New Orleans	\$16,752
Department of Veterans Affairs	9,253
State of Louisiana:	
Department of Health and Hospitals	26,346
Department of Education	<u>7,895</u>
Total	<u>\$60,246</u>

NOTE 6 - Equipment:

Equipment consists of the following:

	Balance at <u>6/30/00</u>	Additions (Reductions)	Balance at <u>6/30/01</u>
Equipment	\$ 186,025	\$ 4,265	\$ 190,290
Accumulated Depreciation	<u>(126,395)</u>	<u>(28,904)</u>	<u>(155,299)</u>
Net fixed assets	<u>\$ 59,630</u>	<u>\$(24,639)</u>	<u>\$ 34,991</u>

THE CARROLLTON COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Due to Funding Sources:

The Center has received grant receipts from certain agencies that have not been utilized to repay rent. Such amounts have been reflected as due to funding sources. As of June 30, 2001, **the Center** has entered into an agreement to begin repaying amounts due for past rent. **The Center** has began making payments on a monthly basis to the lessor.

NOTE 8 - Commitments and Contingencies:

Participation in Grant Programs:

The Center is a recipient of grant funds from certain funding sources. These grants are governed by various federal, state and local guidelines, regulations, and contractual agreements.

The administration of the program and activities funded by the grants are under the control and administration of **the Center** and are subject to audit and/or review by the applicable funding source. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

Lease Agreement:

Each year, **the Center** enters into a lease agreement to rent administrative and program office space from the City of New Orleans. The lease agreement provides for a monthly payment of \$1.00 for rent and \$2,329 for the pro rata share of the operating expense of the facility.

The rental expense for the years ended June 30, 2001, totaled \$27,960.



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INDEPENDENT AUDITORS' 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
The Carrollton Community Center, Inc.

We have audited the financial statements of **The Carrollton Community Center, Inc. (the Center)** as of and for the year ended June 30, 2001 and have issued our report thereon dated December 21, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 **the Center's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of funding sources and management, and is not intended to be and should not be used by anyone other than those specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 21, 2001

THE CARROLLTON COMMUNITY CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

We have audited the financial statements of **The Carrollton Community Center, Inc.** as of and for the year ended June 30, 2001, and have issued our report thereon dated December 21, 2001. We conducted our audits 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. Our audits of the financial statements as of June 30, 2001 resulted in an unqualified opinion.

Section 1 - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses/Reportable Conditions - No

Compliance

Compliance Material to Financial Statements - No

b. Federal Awards

Not Applicable

c. Identification of Major Programs

Not Applicable

**Section II - Findings Relating to the Financial Statements Reported in Accordance with
*Government Auditing Standards***

Not Applicable.

Section III - Findings and Questioned Costs Related to Federal Awards

Not Applicable

THE CARROLLTON COMMUNITY CENTER, INC.

EXIT CONFERENCE

The audit report was discussed at an exit conference with the following individuals:

THE CARROLLTON COMMUNITY CENTER, INC.

Ms. Diane Hookfin	--	Executive Director
Mr. Harry Berry	--	Accountant

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA	--	Managing Partner
Mr. Sean M. Bruno, CPA	--	Supervisor

Bruno & Tervalon, LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 21, 2001

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
THE CARROLLTON COMMUNITY CENTER, INC.**

For the Year Ended June 30, 2001

Finding Title: Due to Funding Sources

Reference Number(s): 98-01

(from attached schedule of findings, may include more than one)

Initial Year of Finding: June 30, 1998

Amount of Questioned Costs in Finding: \$ N/A

Status of Questioned Costs (check one): Resolved: N/A Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Page Number (from Single Audit Report): Page 15 - June 30, 1998

Program Name(s): Council on Aging, Daycare, Veterans Affairs

Federal Grantor Agency: Office of Elderly Affairs, State Legislature, LA Dept. of
Education, Dept. of Veterans Affairs

CFDA Number(s): _____

Status of Finding (check one):

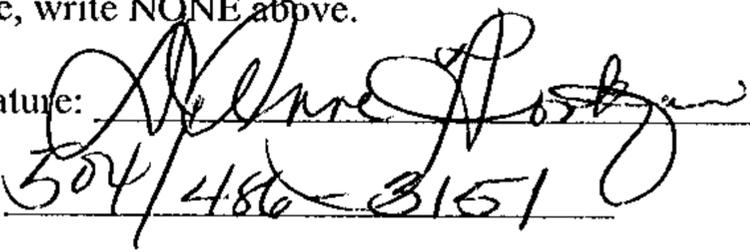
Fully Corrected	<u> x </u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____

{Sec OMB A -133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

The management of the Center has entered into a new repayment agreement with its lessor and has began making payments on the past due rents on a monthly basis.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: 504/486-3151

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
THE CARROLLTON COMMUNITY CENTER, INC.**

For the Year Ended June 30, 2001

Finding Title: Financial Records and Accounts

Reference Number(s): 98-02, 00-01
(from attached schedule of findings, may include more than one)

Initial Year of Finding: June 30, 1998 and 2000

Amount of Questioned Costs in Finding: \$ N/A

Status of Questioned Costs (check one): Resolved: N/A Unresolved: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Page Number (from Single Audit Report): Page 15 - June 30, 1998 and 2000 Audit Report

Program Name(s): N/A

Federal Grantor Agency: N/A

CFDA Number(s): N/A

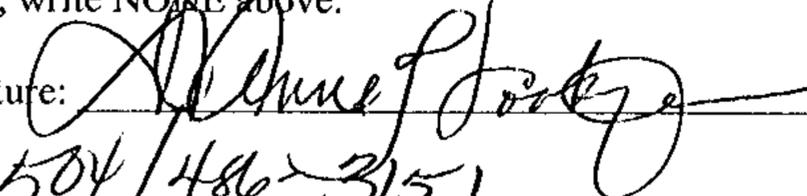
Status of Finding (check one):

Fully Corrected x
Partially Corrected _____

Not Corrected _____
No Further Action Needed _____
{See OMB A -133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 
Phone Number: 504/486-3151

THE CARROLLTON COMMUNITY CENTER, INC.

***SUMMARY SCHEDULE OF PRIOR YEAR
MANAGEMENT LETTER COMMENTS***

1. Cash Disbursement

Previous Condition

We noted the following during our audit of operating expenses of **the Center**:

- Sixteen (16) out of fifty-eight (58) invoices were not stamped paid or properly canceled.
- Four (4) out of four (4) invoices were not supported with travel expense reports

Current Status

No similar conditions were noted during our June 30, 2001 audit.

2. Salaries

Previous Condition

We noted during our audit that one (1) personnel file out of ten (10) selected for testing was not provided for testing. We also noted that five (5) out of ten (10) personnel action forms selected for testing were not updated for the current year.

Current Status

No similar conditions were noted during our June 30, 2001 audit.

THE CARROLLTON COMMUNITY CENTER, INC.

***SUMMARY SCHEDULE OF PRIOR YEAR
MANAGEMENT LETTER COMMENTS, CONTINUED***

3. Accounts Receivable

We noted during our audit that management of **the Center** has failed to collect certain receivables due from third parties on a timely basis.

As of June 30, 2001, the management of Carrollton Hollygrove has collected substantially the entire receivable balance.