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NEW ORLEANS SERVICE CENTER, INC.

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 7-28-99

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COMPILED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

**Bruno
& Tervalon**
CERTIFIED PUBLIC ACCOUNTANTS

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& Tervalon

MICHAEL B. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

ACCOUNTANTS' REPORT

To the Board of Directors
New Orleans Service Center, Inc.

We have compiled the accompanying financial statements of **New Orleans Service Center, Inc. (NOSC)**, as listed in the table of contents as of December 31, 1998 and 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. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about **NOSC'S** financial position, changes in net assets and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 29, 1999 on the results of our agreed-upon procedures.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 28, 1999

NEW ORLEANS SERVICE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 1998

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 43,892
Grants receivable	21,893
Due from employee	<u>10,627</u>
Total current assets	76,412
Furniture and equipment, net of accumulated depreciation of \$143,476	59,178
Deposits	<u>999</u>
Total assets	<u>\$136,589</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accrued expenses	\$ 3,629
Obligations under capital leases-current portion	<u>11,920</u>
Total current liabilities	15,549
Obligations under capital leases-long-term portion	<u>13,883</u>
Total liabilities	<u>29,432</u>
Unrestricted net assets	<u>107,157</u>
Total liabilities and net assets	<u>\$136,589</u>

See Accountants' Report.

NEW ORLEANS SERVICE CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 1998

SUPPORT AND REVENUE

Governmental grants	\$233,052
Other revenue	<u>143</u>
Total support and revenue	<u>233,195</u>
Expenses:	
Program services	214,066
Management and general	<u>26,953</u>
Total expenses	<u>241,019</u>
Change in unrestricted net assets	(7,824)
Unrestricted net assets at beginning of year	<u>114,981</u>
Unrestricted net assets at end of year	<u>\$107,157</u>

See Accountants' Report.

NEW ORLEANS SERVICE CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998

Cash flows from operating activities:	
Change in net assets	\$(7,824)
Adjustments to reconcile change in net unrestricted assets to net cash provided by operating activities:	
Depreciation	22,232
Changes in operating assets and liabilities:	
Decrease in grants receivable	9,697
Decrease in accrued expenses	(1,327)
Increase in due from employee	<u>(9,997)</u>
Net cash provided by operating activities	<u>12,781</u>
Cash flows from investing activities:	
Purchases of fixed assets	<u>(33,319)</u>
Net cash used in investing activities	<u>(33,319)</u>
Cash flows from financing activities:	
Increase in obligations under capital leases	<u>8,366</u>
Net cash provided by financing activity	<u>8,366</u>
Net decrease in cash	(12,172)
Cash and cash equivalents at beginning of year	<u>56,064</u>
Cash and cash equivalents at end of year	<u>\$ 43,892</u>
Supplemental Disclosure of Cash Flow Information:	
Interest paid in cash during the year	<u>\$ 7,342</u>

See Accountants Reports.

NEW ORLEANS SERVICE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES MANAGEMENT AND GENERAL</u>	<u>TOTAL EXPENSES</u>
Expenses:			
Salaries	\$128,495	\$ 568	\$129,063
Payroll taxes and employee benefits	14,980	-0-	14,980
Occupancy, utilities and maintenance	14,517	-0-	14,517
Professional fees	12,741	-0-	12,741
Program and office supplies	9,650	484	10,134
Telephone	6,135	-0-	6,135
Insurance	12,921	-0-	12,921
Travel/conferences	869	-0-	869
Interest expense	7,342	-0-	7,342
Staff training	2,975	-0-	2,975
Other	<u>3,441</u>	<u>3,669</u>	<u>7,110</u>
 Total expenses before depreciation	 214,066	 4,721	 218,787
 Depreciation expense	 <u>-0-</u>	 <u>22,232</u>	 <u>22,232</u>
 Total expenses	 <u>\$214,066</u>	 <u>\$26,953</u>	 <u>\$241,019</u>

See Accountants' Report.

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Release Date _____

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 1998

& Tervalon

MICHAEL B. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
New Orleans Service Center, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of **New Orleans Service Center, Inc. (the Center)** and the Legislative Auditor, State of Louisiana solely to assist the users in evaluating management's assertions about **the Center's** compliance with certain laws and regulations during the year ended December 31, 1998 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. 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.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
New Orleans Service Center, Inc.

Federal, State, and Local Awards

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

The Center's Federal award expenditures for all programs for the fiscal year follows:

<u>Federal Grantor/Pass-through Agency Grant Name</u>	<u>Grant Year</u>	<u>CFDA No.</u>	<u>Amount</u>
U. S. Department of Health and Human Services passed through the State of Louisiana, Department of Social Services: Family Independence Work Program	01/01/98- 12/31/98	93.561	\$177,719
U. S. Department of Labor passed through Orleans Private Industry Council: Summer Youth Program	01/01/98- 12/31/98	N/A	31,112
U.S. Department of Housing and Urban Development passed through the City of New Orleans: Community Block Development Grant	01/01/98 12/31/98	14.218	<u>29,161</u>
Total Federal Expenditures			<u>\$237,992</u>

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
New Orleans Service Center, Inc.

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

We examined supporting documentation for each of the selected disbursements and found that the payment was for the proper amount and made to the correct payee. However, one (1) disbursement was not supported by an invoice or other supporting documentation.

4. For the items selected in procedure 2, we determined if the six (6) disbursements for each Federal and state award were properly coded to the correct fund and general ledger account.

The results of this procedure indicated the 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 (6) disbursements from each Federal and state award received approval from proper authorities.

Inspection of documentation supporting the disbursements indicated approval from proper authorities.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
New Orleans Service Center, Inc.

6. For the items selected in procedure 2: For Federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state awards, we determined whether the disbursements complied with the grant agreement, relating to activities allowed or unallowed, eligibility and reporting.

Federal and State awards

We reviewed the disbursements selected in procedure 2 noting compliance with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*), relating to activities allowed or unallowed, eligibility and reporting.

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

The disbursements selected did not include any programs that were closed out during the period of our 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).

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
New Orleans Service Center, Inc.

Meetings, Continued

The Center is only required to post a notice of each meeting and the accompanying agenda on the door of **the Center's** office building. Although management has asserted that such documents were properly posted, we could not find no evidence supporting such assertion other than an unmarked copy of the agendas.

Comprehensive Budget

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

The Center provided comprehensive budgets to the applicable grantor 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.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
New Orleans Service Center, Inc.

Prior Comments and Recommendations, Continued

No prior year findings were reported.

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 **New Orleans Service Center, 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. However, this report is a matter of public record and its distribution is not limited.

Bruno & Tervalon

**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

June 28, 1999

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

June 30, 1999 (Date Transmitted)

Bruno & Teruolow, CPAs
650 S. Pierce Street, Suite 203
New Orleans, LA 70119

(Auditors)

In connection with your compilation of our financial statements as of December 31, 1998 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 (date of completion/respresentation). June 28, 1999

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 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.

NO PRIOR YEAR FINDINGS REPORTED.

N/A
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.

J. Ann Smith Secretary 6/30/99 Date

Donald F. ... Treasurer _____ Date
Executive Director President 6/30/99 Date

NEW ORLEANS SERVICE CENTER, INC.
 MANAGEMENT'S CORRECTIVE ACTION PLAN
 DECEMBER 31, 1998

<u>COMMENT</u>	<u>PROPOSED CORRECTIVE ACTION</u>	<u>ANTICIPATED DATE COMPLETED</u>	<u>CONTACT PERSON</u>	<u>FEDERAL/PASS THROUGH AGENCY CONTACTED</u>
One of six Family Independence Work Program disbursements was not supported by an invoice or other supporting documentation.	A new system has been implemented to ensure that all cash disbursements are supported with source documentation.	July 1999	Dennis Joseph	No