

**COMMUNITY OUTREACH OPPORTUNITY PROGRAMS, INC.
ALEXANDRIA, LOUISIANA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

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Release Date 1-19-2000

**DESIREE' W. HONORE', CPA
A Professional Corporation
Member, AICPA**

COMMUNITY OUTREACH OPPORTUNITY PROGRAMS, INC.
ALEXANDRIA, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

CONTENTS

<u>INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS</u>	1
<u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
<u>NOTES TO FINANCIAL STATEMENTS</u>	6 - 8
<u>REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</u>	9 -10

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Board of Directors
Community Outreach Opportunity Programs, Inc.
Alexandria, Louisiana

I have audited the accompanying balance sheet of Community Outreach Opportunity Programs, Inc. as of June 30, 1999, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Community Outreach Opportunity Programs, Inc.'s Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and 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 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 the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to the above present fairly, in all material respects, the financial position of Community Outreach Opportunity Programs, Inc. as of June 30, 1998, and the changes in its net assets and its cash flows for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 1999, on my consideration of Community Outreach Opportunity Programs, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

As discussed in note 2 to the financial statements, the organization has deviated from its approved program budget for the year ended June 30, 1999 by paying penalties assessed by the Internal Revenue Service in the amount of \$ 22,101. A contingent liability in the amount of \$22,101 has been accrued for potential recoupment by the grantor. This issue raises substantial doubt about the organization's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Baton Rouge, Louisiana

September 30, 1999

Desiree W. Honore, CPA

COMMUNITY OUTREACH OPPORTUNITY PROGRAMS, INC.
ALEXANDRIA, LOUISIANA

STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999

ASSETS

Cash	\$ -0-
Furniture, Fixtures, and Equipment (Note 1d)	<u>54,199</u>
Total Assets	\$ <u>54,199</u>

LIABILITIES AND NET ASSETS

Liabilities	
Contingent Liability	\$ 22,101
Net Assets (Temporarily Restricted)	<u>32,098</u>
Total Liabilities and Net Assets	\$ <u>54,199</u>

The accompanying notes are an integral part of these financial statements

COMMUNITY OUTREACH OPPORTUNITY PROGRAMS, INC.
ALEXANDRIA, LOUISIANA

STATEMENT OF ACTIVITIES
JUNE 30, 1999

SUPPORT AND REVENUE

Grant from Governor's Office of Urban Affairs and Development	\$ 184,250
Total support and revenue	<u>184,250</u>

EXPENSES

Program services	
Urban Affairs	162,149
Penalties (Note 2)	22,101
Contingency (Note 2)	<u>22,101</u>
Total expenses	<u>\$206,604</u>

DECREASE IN NET ASSETS (22,101)

Net assets - July 1, 1998	<u>54,199</u>
Net assets - June 30, 1999	<u>\$32,098</u>

The accompanying notes are an integral part of these financial statements

COMMUNITY OUTREACH OPPORTUNITY PROGRAMS, INC.
ALEXANDRIA, LOUISIANA

STATEMENT OF CASH FLOWS
JUNE 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from government grants and private sources	\$187,250
Cash paid to suppliers and employees	<u>(187,250)</u>
Net cash provided by operating activities	<u>\$ 0</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	0
CASH AND CASH EQUIVALENTS - July 1, 1998	<u>0</u>
CASH AND CASH EQUIVALENTS - June 30, 1999	<u>\$ 0</u>

Reconciliation of change in net assets to net cash provided by operating activities:

Change in net assets	\$ (22,101)
Adjustments to reconcile change in net assets to net cash flow from operating activities:	
Increase in contingent liability	<u>22,101</u>
	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

COMMUNITY OUTREACH OPPORTUNITY PROGRAMS, INC.
ALEXANDRIA, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 1999

	<u>Program Services</u>	<u>Management Expenses</u>	<u>Total</u>
Salaries	\$ 4,731	10,650	15,381
Fringe Benefits	362	1,343	1,705
Insurance	1,381	-	1,381
Maintenance/Repairs	-	1,994	1,994
Penalties (See Note 2)	-	22,101	22,101
Professional Services	100	3,550	3,650
Scholarships and Awards	850	-	850
Supplies	881	1,618	2,499
Tutorial (Other) Assistance/Services	133,803	-	133,803
Utilities	394	492	886
Contingency (See Note 2)	<u> -</u>	<u>22,101</u>	<u>22,101</u>
Total Expenses	<u>\$142,502</u>	<u>\$ 63,849</u>	<u>\$206,351</u>

The accompanying notes are an integral part of these financial statements

COMMUNITY OUTREACH OPPORTUNITY PROGRAMS, INC.
ALEXANDRIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

1. Summary of Significant Accounting Policies

Operations

Community Outreach Opportunity Programs, Inc. (COOP) facilitates money derived from its Grant sources and allocates these funds to organizations located in the Central Louisiana area. These organizations are dedicated to providing educational, tutoring, arts, counseling, and related services to "at risks youths. Funds for COOP's activities are provided by the Governor's Office on Urban Affairs of the State of Louisiana. All sources of available revenues, excluding management operational expenses, are given to qualified organizations and targeted persons performing the mentioned services.

Basis of Preparation

The financial statements of COOP have been prepared on the accrual basis of accounting. The current trend of accounting relies on the Net Asset approach of reporting with appropriate restrictions being placed on assets and contributions. COOP keeps records and all reporting in line with the latest changes according to Generally Accepted Accounting Principles (GAAP).

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the organization considers all cash and other highly liquid investments with initial maturities of three or less to be cash equivalents.

COMMUNITY OUTREACH OPPORTUNITY PROGRAMS, INC.

ALEXANDRIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

Revenue Recognition

Contributions are substantially derived from the *State of Louisiana*, provided by the Governor's Office on Urban Affairs. Contributions are recorded when earned. All contributions are considered to be temporarily restricted unless otherwise designated at the time of gift.

Property and Equipment

The State of Louisiana's Office of Urban Affairs has legal title to all property and equipment purchased by COOP with Grant Contributions. In the event the program discontinues, this equipment reverts to the ownership of the State of Louisiana or is disposed of according to the Secretary of State's direction.

Assets are first expended in accordance with their line item appropriation then recapitalized as Assets (resulting in Net Assets) for record keeping purposes. COOP maintains individual records of all assets purchased.

The amount of \$54,199 is comprised of prior years' purchases.

State Grant

The sole grant received for the current fiscal year by COOP was provided by the State of Louisiana Governor's Office. No federal financial assistance has been received in this or previous periods.

Tutorial Assistance and Educational Services

The sum total of these funds represent the amount expended directly to satellite agencies implementing the services of COOP for which grant funds were primarily intended.

COMMUNITY OUTREACH OPPORTUNITY PROGRAMS, INC.
ALEXANDRIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Management and General Expenses

To coordinate and conduct the many programs, these expenses are necessary and accounted for as though they were part of a foundation or corporate account. Expenses are separated and reported as shown in the Statement of Functional Expenses.

2. Contingency

During the year ended June 30, 1999, the organization deviated from the program budget with regard to the grant from the Governor's Office of Urban Affairs by paying penalties assessed by the Internal Revenue Service in the amount of \$22,101 for delinquent tax filings, including the organization's information return, Form 990, and payroll tax returns. According to the terms of the grant agreement, this budget deviation could result in the recoupment of funds by the State of Louisiana. A contingent liability in the amount of \$22,101 has been accrued for potential recoupment by the grantor.

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
Community Outreach Opportunity Programs, Inc.

I have audited the financial statements of Community Outreach Opportunity Programs, Inc. (a not for profit organization) as of and for the year ended June 30, 1999, and have issued my report thereon dated October 25, 1999. 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 part of obtaining reasonable assurance about whether Community Outreach Opportunity Programs, Inc.'s financial statements are free of material misstatement, I 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 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 an instance of non compliance that is required to be reported under Government Auditing Standards. During the year ended June 30, 1999, the organization deviated from the program budget with regard to the grant from the Governor's Office of Urban Affairs by paying penalties assessed by the Internal Revenue Service in the amount of \$22,101 for delinquent tax filings, including the organization's information return, Form 990, and payroll tax returns.

Internal Control Over Financial Reporting

In planning and performing the audit, I considered Community Outreach Opportunity Programs, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Baton Rouge, Louisiana
September 30, 1999

Desiree P. Jones, CPA

Date: 12/28/1999 4:21 PM
Sender: GROVER AUSTIN
To: DEBBIE BARTON; JOANNE SANDERS
Priority: Normal
Subject: Fwd: No Corrective Action Plan

Barton, please issue letter

JoAnne, please make sure I get a copy of this.. . This is definitely one that Drennan should be notified of. Also, make sure we send a LAAC letter to the grantor. gca

Forward Header

Subject: No Corrective Action Plan
Author: JOANNE SANDERS
Date: 12/28/1999 12:54 PM



ID_5225.doc

**COMMUNITY OUREAHCH OPPORTUNITY PROGRAM, INC.
630 LEE STREET
ALEXANDRIA, LA 71301**

12/06/99

Mr. Daniel G. Kyle, CPA, CFE
Legislative Auditor -State of Louisiana
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Kyle:

Re: Corrective Action Plan for tax penalties paid in fiscal year 98/99 by Community Outreach Opportunity Programs, Inc.

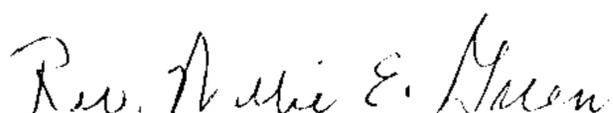
Please accept the following as our corrective action plan:

To correct this problem we are asking the Internal Revenue Service for abatement of the portion of the aforementioned penalties, some of which relate to the late filing of 990 reports during the time our former CPA, Donald L. Allen, was ill. It was our understanding that the reports had been filed, however after he died we found out that was not the case. Another step taken was to relieve Jeffrey Washington of his duties as bookkeeper for COOP because many of the penalties from late filing were a direct result of his negligence in filing the required reports (941, W2, etc.). Mr. Washington was replaced in July 1995 with Mark Brown, our current bookkeeper. The \$22,101.00 was composed of penalties from 1993 to 1997. We also have a new CPA, Ms. Desiree Honore, who makes sure that the 990 are filed correctly and timely. Ms. Honore has been our auditor the last two years.

These precautions should prevent COOP from ever paying any of these type penalties again. We are committed to the steps taken and will continue to follow up on possible abatement with the Internal Revenue Service.

Please accept this letter as our correction action plan. If I may be of further assistance please do no hesitate to contact me.

Sincerely,


Rev. Willie E. Green
Board President