

E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2004

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 3-2-05

CASCIO, DAVIS & SCHMIDT, LLP
Certified Public Accountants

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E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.

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CASCIO, DAVIS & SCHMIDT, LLP

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
JAN E. DAVIS, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
E. J. Morris Senior Citizen Community
Outreach Center, Inc.

We have audited the accompanying statement of financial position of E. J. Morris Senior Citizen Community Outreach Center, Inc. (a nonprofit corporation) as of June 30, 2004, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an 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 Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 E. J. Morris Senior Citizen Community Outreach Center, Inc. as of June 30, 2004, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2004, on our consideration of E. J. Morris Senior Citizen Community Outreach Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of E. J. Morris Senior Citizen Community Outreach Center, Inc. taken as a whole. The accompanying schedule of expenditures compared to budget is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cassio, Davis & Schmidt, LLP.

Metairie, Louisiana
December 21, 2004

E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2004

ASSETS

Cash		\$	32
Property and equipment (Note A4)			
Transportation equipment	20,540		
Less accumulated depreciation	<u>10,270</u>		<u>10,270</u>
Total assets		\$	<u>10,302</u>

LIABILITIES AND NET ASSETS

Accounts payable		\$	60
Due to New Orleans Council on Aging, Inc.			<u>3,000</u>
Total liabilities			3,060
NET ASSETS			
Temporarily restricted	10,270		
Unrestricted	<u>(3,028)</u>		
Total Net Assets			<u>7,242</u>
Total liabilities and net assets		\$	<u>10,302</u>

The accompanying notes are an integral part of this statement.

E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2004

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY</u>
REVENUES			
Grants appropriations (Note B)	\$ -	\$ 112,650	\$ 112,650
Other	43	-	43
Net assets released from restriction	<u>112,650</u>	<u>(112,650)</u>	<u>-</u>
Total Revenues	<u>112,693</u>	<u>-</u>	<u>112,693</u>
EXPENSES			
Salaries	53,500	-	53,500
Fringe benefits and payroll taxes	5,663	-	5,663
Operating services	2,625	-	2,625
Occupancy expense	5,311	-	5,311
Insurance	9,391	-	9,391
Vehicle expense	5,193	-	5,193
Contract services	24,000	-	24,000
Program activities	5,535	-	5,535
Supplies, craft	529	-	529
Supplies, office	1,148	-	1,148
Telephone	2,383	-	2,383
Depreciation	-	5,136	5,136
Total Expenses	<u>115,278</u>	<u>5,136</u>	<u>120,414</u>
INCREASE (DECREASE) IN NET ASSETS	(2,585)	(5,136)	(7,721)
Return of funds to funding source	(372)	-	(372)
NET ASSETS, BEGINNING OF YEAR	(<u>71</u>)	<u>15,406</u>	<u>15,335</u>
NET ASSETS, END OF YEAR	\$ (<u>3,028</u>)	\$ <u>10,270</u>	\$ <u>7,242</u>

The accompanying notes are an integral part of this statement.

E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2004

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants	\$ 112,650	
Other revenue	<u>43</u>	
	112,693	
Payments to employees and suppliers	<u>(115,661)</u>	
NET CASH USED BY OPERATING ACTIVITIES		\$ (2,968)
CASH FLOWS FROM INVESTING ACTIVITIES		
		-
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to New Orleans Council on Aging, Inc.	<u>3,000</u>	
Net cash provided by financing Activities		<u>3,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		32
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
		<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		
		\$ <u><u>32</u></u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES		
Decrease in net assets		\$ (7,721)
Adjustments to reconcile decrease in net assets to net cash used by operating activities		
Depreciation	5,136	
Decrease in accounts payable	(11)	
Return of funds to funding source	<u>(372)</u>	<u>4,753</u>
NET CASH USED BY OPERATING ACTIVITIES		\$ <u>(2,968)</u>

The accompanying notes are an integral part of this statement.

E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2004

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Activities

E. J. Morris Senior Citizen Community Outreach Center, Inc. was organized to provide persons, age 55 years and older or disabled, social services that will encourage them to be educated about issues that affect the mature adult, as well as remain healthy through recreation and socialization.

2. Financial Statement Presentation

The Corporation's financial statements are presented in accordance with the requirements established by the Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations." Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Revenue Recognition

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

4. Property and Equipment

Property and equipment is state at cost, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the costs of depreciable assets to operations over their estimated service lives, on a straight-line basis. Depreciation expense for the year ended June 30, 2004 amounted to \$5,136.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

5. Estimates

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

6. Cash Equivalents

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

NOTE B - SUMMARY OF FUNDING

E. J. Morris Senior Citizen Community Outreach Center, Inc.'s funding for grants and contracts consist of the following:

<u>Grant</u>	<u>Period</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
New Orleans Council on Aging, Inc.	7/1/03-6/30/04	\$ <u>112,650</u>	\$ <u>112,650</u>

E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE C - RENTAL EXPENSE

The corporation leases its operating facilities under a one year operating lease on the calendar basis. The rental expense for the fiscal year ended June 30, 2004 totaled \$5,311.

NOTE D - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE E - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

NOTE F - ECONOMIC DEPENDENCY

E. J. Morris Senior Citizen Community Outreach Center, Inc. received the majority of its revenue from funds provided through grants administered by the New Orleans Council on Aging, Inc. The grant amounts are appropriated each year by the state government. If significant budget cuts are made at the state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the Corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the organization will receive in the next fiscal year.

The Corporation's support through state grants totaled 100% for the year ended June 30, 2004.

SUPPLEMENTAL INFORMATION

**E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.**

COMBINED STATEMENT OF ACTIVITIES

Year Ended June 30, 2004

		NOCOA*		PROPERTY AND	
		<u>GRANT</u>	<u>GENERAL</u>	<u>EQUIPMENT</u>	<u>TOTAL</u>
REVENUES					
Grant	\$ 112,650	\$ -	\$ -		\$ 112,650
Other	-	<u>43</u>		<u>-</u>	<u>43</u>
Total Revenues	<u>112,650</u>	<u>43</u>		<u>-</u>	<u>112,693</u>
EXPENSES					
Salaries	53,500	-		-	53,500
Fringe benefits and and payroll taxes	5,663	-		-	5,663
Operating services	2,625	-		-	2,625
Occupancy expense	5,311	-		-	5,311
Insurance	9,391	-		-	9,391
Vehicle expense	5,193	-		-	5,193
Contract services	24,000	-		-	24,000
Program activities	5,535	-		-	5,535
Supplies, craft	529	-		-	529
Supplies, office	1,148	-		-	1,148
Telephone	2,383	-		-	2,383
Depreciation	<u>-</u>	<u>-</u>		<u>5,136</u>	<u>5,136</u>
Total Expenses	<u>115,278</u>	<u>-</u>		<u>5,136</u>	<u>120,414</u>
Increase (decrease) in net assets	(2,628)	43		(5,136)	(7,721)
Return of funds to funding source	(372)	-		-	(372)
Transfers to/from General	71	(71)		-	-
Net assets, beginning of year	(<u>71</u>)	<u>-</u>		<u>15,406</u>	<u>15,335</u>
Net assets, end of year	\$ (<u>3,000</u>)	\$ (<u>28</u>)		\$ <u>10,270</u>	\$ <u>7,272</u>

* New Orleans Council on Aging, Inc.

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PUBLIC ACCOUNTANTS

**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
E. J. Morris Senior Citizen Community Outreach Center, Inc.

We have audited the financial statements of E. J. Morris Senior Citizen Community Outreach Center, Inc. (a nonprofit corporation) as of and for the year ended June 30, 2004, and have issued our report thereon dated December 21, 2004. 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 Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether E. J. Morris Senior Citizen Community Outreach Center, Inc.'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 audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered E. J. Morris Senior Citizen Community Outreach Center, Inc.'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect E. J. Morris Senior Citizen Community Outreach Center, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2004-1.

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 detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information and use of the audit committee, management and others within the organization, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cassio, Davis + Schmidt, LLP.

Metairie, Louisiana
December 21, 2004

E. J. MORRIS SENIOR CITIZEN
COMMUNITY OUTREACH CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2004

A. FINDINGS-FINANCIAL AUDITS

Reportable Conditions

2004-1 Segregation of Duties

Due to the size of the administrative staff, the corporation is too small to effect a meaningful segregation of duties. All authorization, approval and payment of cash disbursements are performed by the Executive Director. The cash receipts and disbursements journals, and the general ledger is maintained by an outside accounting firm. The monthly financial reports are also prepared by the accounting firm.

We recommend that the Executive Director and the Board of Directors continue their significant involvement in the financial affairs of the corporation and also through review of monthly financial reports.

STATUS OF PRIOR YEAR AUDIT FINDINGS

	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Finding</u>
Segregation of Duties		X	2004-1

Linda McKenzie, Director

Elias J. Morris Senior Citizen Center

"Revitalizing the Lives and SPirits of the Elders"

1616 Caffin Avenue
NEW ORLEANS, LA 70117



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CORRECTIVE ACTION PLAN

June 30, 2004

1. Segregation of Duties

At this time, E. J. Morris Senior Citizen Community Outreach Center, Inc. is too small to change its structure of duties. The Executive Director and the Board of Directors will continue its involvement in the financial affairs of the organization.