

7315

RECEIVED
LEGISLATIVE AUDITOR

2005 JAN -3 AM 11:13

**Westbank Redevelopment
Corporation, Inc.**

**Financial Statements
With Accountant's Compilation Report Thereon
For the Twelve Months Ended 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 2-2-05



BRIAN E. ADORNO

3053 Mercedes Boulevard ♦ First Floor
New Orleans, Louisiana 70114

Phone: (504) 227-2280

Fax: (504) 227-2290

Business



Taxes



Finance



Estates

December 20, 2004

To the Board of Directors
Westbank Redevelopment Corporation, Inc.

I have compiled the accompanying statement of financial position of Westbank Redevelopment Corporation, Inc. (a not-for-profit organization), as of June 30, 2004, and the related statements of activity, functional expenses, and cash flows for the twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Member:

Louisiana Bar Association

American Institute of
Certified Public
Accountants

Louisiana Society of
Certified Public
Accountants

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

I am not independent with respect to Westbank Redevelopment Corporation, Inc.

Brian E. Adorno, CPA, APC



WESTBANK REDEVELOPMENT
CORPORATION, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2004

ASSETS

Cash & Cash Equivalents	<u>\$122,131.00</u>
TOTAL ASSETS	<u>\$122,131.00</u>

LIABILITIES & NET ASSETS

LIABILITIES:	\$0.00
NET ASSETS:	
Temporarily Restricted	<u>\$122,131.00</u>
TOTAL NET ASSETS	<u>\$122,131.00</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$122,131.00</u>

See Accountant's Compilation Report and Notes to Financial Statements.

WESTBANK REDEVELOPMENT
CORPORATION, INC.

STATEMENT OF ACTIVITIES

For the Twelve Months Ended June 30, 2004

<u>UNRESTRICTED NET ASSETS</u>	
REVENUE AND OTHER SUPPORT:	\$0
EXPENSES:	
Supporting Services	
Management and General	<u>100</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(\$100)
<u>TEMPORARILY RESTRICTED NET ASSETS</u>	
SUPPORT:	
Louisiana Stadium & Exposition District Appropriation	\$142,556
Net assets released from restrictions:	
Satisfaction of program requirements	<u>(20,325)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	\$122,231
INCREASE (DECREASE) IN NET ASSETS	\$122,131
NET ASSETS AT BEGINNING OF YEAR	<u>0</u>
NET ASSETS AT END OF YEAR	<u><u>\$122,131</u></u>

See Accountant's Compilation Report and Notes to Financial Statements.

WESTBANK REDEVELOPMENT
CORPORATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Twelve Months Ended June 30, 2004

<u>EXPENSES</u>	<u>Program Services</u> <u>Restoration of Blighted Property</u>	<u>Supporting</u> <u>Services</u> <u>Management</u> <u>and</u> <u>General</u>	<u>Total</u>
Project Costs	\$20,325		\$20,325
Bank Fees		30	30
State Filing Fees		70	70
Total	\$20,325	\$100	\$20,425

See Accountant's Compilation Report and Notes to Financial Statements.

WESTBANK REDEVELOPMENT
CORPORATION, INC.

STATEMENT OF CASH FLOWS

For the Twelve Months Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in net assets	\$122,131
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	<u>0</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>122,131</u>
NET INCREASE (DECREASE) IN CASH	122,131
CASH AT BEGINNING OF YEAR	<u>0</u>
CASH AT END OF YEAR	<u><u>\$122,131</u></u>

WESTBANK REDEVELOPMENT CORPORATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Twelve Months Ended June 30, 2004

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Westbank Redevelopment Corporation, Inc. (the Organization) was established in Louisiana in 2003 as a non-profit corporation to combat community deterioration by funding beautification projects in Algiers, on the westbank of the Mississippi River in Orleans Parish.

Basis of Accounting

The Organization uses the accrual method of accounting and follows the standards of accounting and financial reporting outlined by the American Institute of Certified Public Accountants in its Audit and Accounting Guide, *Not-for-Profit Organizations*.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, short-term investments, and promises to give due in less than one year: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Income Taxes

The Organization operates as a nonprofit entity and has been granted tax-exempt Status by the Internal Revenue Service (IRS) under Section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). The Organization's exempt status is recognized by the State of Louisiana. Accordingly, no provision has been made in these statements for federal or state income taxes.

WESTBANK REDEVELOPMENT CORPORATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Twelve Months Ended June 30, 2004

1. **NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (cont)**

Donated Services

Certain members of the Board of Directors have donated significant amounts of time to the Organization. The value of this contributed time is not reflected in these statements, as it is not susceptible to objective measurement or valuation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals 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.

Revenue Recognition

Under the standards contained in the AICPA Audit and Accounting Guide, *Not-for-Profit Organizations*, contributions are recorded when received unless susceptible to accrual.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or when purpose of the 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.

Financial Statement Presentation

Under SFAS No. 117, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

WESTBANK REDEVELOPMENT CORPORATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Twelve Months Ended June 30, 2004

2. APPROPRIATED STATE FUNDS, TEMPORARILY RESTRICTED

The Organization is the recipient of a grant from the Louisiana Stadium & Exposition District, which has received funding from the State of Louisiana, Hotel/Motel Tax as provided under Senate Bill No. 1108, now Act 1380. In exchange for this grant money, the Organization agrees to provide the services and activities listed in the grant agreement.

The organization received \$142,556.23 in grant monies during the twelve months ending June 30, 2004.

3. ECONOMIC DEPENDENCY

The Organization received one hundred percent of its support from funds provided by the Louisiana Stadium & Exposition District.

4. CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentrations of credit risk, include cash deposits with a commercial bank. The Organization's cash management policies limit its exposure to concentration of credit risk by maintaining primary cash accounts at financial institutions where deposits are insured by the Federal Deposit Insurance Corporation (FDIC). The amount in excess of FDIC coverage as of June 30, 2004 was \$28,131.

CPA



Certified Public
Accountant, APC

BRIAN E. ADORNO

3053 Mercedes Boulevard • First Floor
New Orleans, Louisiana 70114

Phone: (504) 227-2280

Fax: (504) 227-2290

Accountant's Report On Applying Agreed-Upon Procedures

Business



Taxes



Finance



Estates

To the Board of Directors
Westbank Redevelopment Corporation, Inc.

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Westbank Redevelopment Corporation, Inc. (the Organization), the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about the Organization's compliance with certain laws and regulations during the twelve months ended June 30, 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. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I 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.

Member:

Louisiana Bar Association



American Institute of
Certified Public
Accountants



Louisiana Society of
Certified Public
Accountants

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

During the fiscal year, the Organization received one appropriation from the Louisiana Stadium & Exposition District for the grant period of July 1, 2003 to June 30, 2004 in the amount of \$142,556. There were no federal or local awards received.

2. For each Federal, state, and local award, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.



Since there was only one State award for which monies were expended in the current fiscal year, I randomly selected six disbursements for testing.

3. For the items selected in procedure 2, I traced the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six disbursements and found that payment was for the proper amount and made to the correct payee.

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

There was no specific accounting program in place to record the disbursements since the Organization was in its initial year of operation and an accounting system and general ledger had not yet been instituted.

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

Inspection of documentation supporting the six disbursements indicated approvals from the President and Treasurer of the Organization thru the requirement of two signatures on all checks. Specific approvals were noted on some of the invoices and/or on the cover letters included with these invoices.

6. For the items selected in procedure 2: For federal awards, I 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 and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed under the state award grant agreement. All disbursements complied with the grant legislation.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements under the state award grant agreement. All disbursements complied with the eligibility requirements.

Reporting

I reviewed the previously listed disbursements for reporting requirements.

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

Closeout reports were not required by this Organization.

Meetings

8. I 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).

Westbank Redevelopment Corporation, Inc. did not comply with the open meetings law therefore no examination of any such records were made. The Organization's Board believes that it is not subject to the Open Meetings Law since Westbank Redevelopment Corporation, Inc. is a private, not-for-profit corporation. In order for the Open Meetings Law to apply, the entity in question must be a "Public Body" as defined in the law.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, I determined that the State was provided with a comprehensive budget of the grant that included the purpose and duration, and included specific goals and objectives and measures of performance.

The Organization provided comprehensive budget to the State for the program mentioned previously. This budget specified the anticipated uses of the funds.

To the Board of Directors
Westbank Redevelopment Corporation, Inc.
June 30, 2004
Page 4 of 4

Prior Comments and Recommendations

10. As this was the Organization's initial year of operation, there were no prior-year suggestions, recommendations, and/or comments.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the management of Westbank Redevelopment Corporation, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

I am not independent with respect to Westbank Redevelopment Corporation, Inc.

Brian E. Adorno
Certified Public Accountant

December 20, 2004

December 20, 2004

Business



Taxes



Finance



Estates

To the Board of Directors
Westbank Redevelopment Corporation, Inc.

During my compilation of the financial statements of Westbank Redevelopment Corporation, Inc. (the Organization) for the year ended June 30, 2004, I became aware of some matters that would prove an opportunity for strengthening operational efficiency. This letter does not affect my report dated December 20, 2004 on the financial statements of Westbank Redevelopment Corporation, Inc.

I have already discussed these comments and suggestions with the appropriate members of management. I will be pleased to discuss these comments in further detail at your convenience, or to assist you in implementing the recommendations. My comments are as follows:

Member:

Louisiana Bar Association



American Institute of
Certified Public
Accountants



Louisiana Society of
Certified Public
Accountants

2003-1 Cash Management

It was noted that during the fiscal year the Organization's bank balance exceeded federal deposit insurance limits at year-end and the excess account balances were not secured by additional pledged collateral by the financial institution.

Management should make substantial efforts to either maintain bank balances below federal deposit insurance limits thereby eliminating the need to pledge securities, or make arrangements with financial institutions to secure bank balances in excess of federal insurance with pledged securities.

2003-2 Accounting System

It was noted during the fiscal year that the Organization had not yet commenced use of any manual or automated accounting system.



To the Board of Directors
Westbank Redevelopment Corporation, Inc.
June 30, 2004
Page 2 of 2

Management should commence use of an accounting system in order to accurately record, classify and provide financial reporting on a systematic basis to the Board of Directors and all users of financial information required or desired of the Organization.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization.

I am not independent with respect to Westbank Redevelopment Corporation, Inc.

Brian E. Adorno, CPA
A Professional Corporation

Westbank Redevelopment Corporation, Inc.
732 Behrman Highway. Suite C-2
Terrytown, Louisiana 70056

MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2004

2003-1 Cash Management

Suggestion: Management should make substantial efforts to either maintain bank balances below federal deposit insurance limits thereby eliminating the need to pledge securities, or make arrangements with financial institutions to secure bank balances in excess of federal insurance with pledged securities.

Action/Response: Management plans on spending grant balances on various projects that fall under the grant agreement in 2005. As such, the cash balance will fall within the FDIC secured range. Also the Organization's cash is deposited in Hibernia National Bank, which is one of the largest and most secure banks in the area.

2003-2 Accounting System

Suggestion: Management should commence use of an accounting system in order to accurately record, classify and provide financial reporting on a systematic basis to the Board of Directors and all users of financial information required or desired of the organization.

Action/Response: The Organization's books will be kept on a cash basis of accounting. The amount of activity that occurred during the past fiscal year was minor so no formal system was placed in service. As the Organization's activities grow, a more formal accounting system will be utilized as required.

Submitted by:


Paul Richard, Secretary/Treasurer

Date: 12.30.04

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

December 20, 2004

Brian E. Adorno, CPA, APC
3053 Mercedes Boulevard
First Floor
New Orleans, LA 70114

In connection with your compilation of our financial statements as of June 30, 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 (date of completion/representation).

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 []

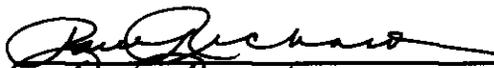
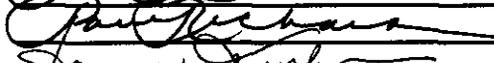
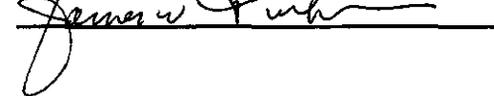
Prior Year Comments

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.

	Secretary	<u>Paul Richard</u>	Date <u>12.30.04</u>
	Treasurer	<u>Paul Richard</u>	Date <u>12.30.04</u>
	President	<u>James W. Tucker</u>	Date <u>12/28/04</u>