

to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

Accounting Applications

1. Billings (in regards to reimbursement request)
2. Cash Receipts
3. Cash Disbursements
4. Revenues and Receivable
5. Purchasing
6. Payroll
7. Property and Equipment

Controls used in Administering Federal Programs

General Requirements

- . Political Activity
- . Civil Rights
- . Cash Management
- . Federal Financial Reports
- . Drug Free Workplace

Specific Requirements

- . Types of Services
- . Eligibility of Cost
- . Cost Allocation
- . Cost Incurred in Approved Period
- . Grant Budgets and Revisions

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

During the years ended June 30, 1996 New Orleans Drug Education Intervention Center, Inc., expended 100% of its total federal awards under non-major programs.

NEW ORLEANS DRUG EDUCATION INTERVENTION CENTER, INC.
NEW ORLEANS, LA 70130

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CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

REPORT ON BASIC FINANCIAL STATEMENTS AND SCHEDULE OF FEDERAL
AWARDS

New Orleans Drug Education Intervention Center, Inc.
936 Jackson Avenue
New Orleans, LA 70130

I have audited the accompanying balance sheet of New Orleans Drug Education Intervention Center, Inc. as of June 30, 1966, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of New Orleans Drug Education Intervention Center, Inc. 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 management, as well as evaluating the overall financial statement presentation. I believe the my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position New Orleans Drug Education Intervention Center, Inc. as of June 30, 1966, and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have issued a report dated October 24, 1966 on my consideration of New Orleans Drug Education Intervention Center, Inc.'s internal control structure and a report dated October 24, 1966 on compliance with laws and regulation.

My audit was made for the purpose of forming an opinion on the basic financial statement of New Orleans Drug Education Intervention Center, Inc. taken as a whole. The accompanying Schedule of Federal Awards for the years ended June 30, 1966 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

FINANCIAL STATEMENTS

NEW ORLEANS DRUG EDUCATION INTERVENTION CENTER, INC
 BALANCE SHEET
 JUNE 30, 1996

ASSET

Current Asset			
Cash	\$	944	
Account Receivable Grant		11,272	
Total Current		11,272	\$ 12,216
Property & Equipment			
Equipment		998	
Vehicle		22,627	
Total Property		22,627	23,625
Total Asset			\$ 35,841

LIABILITIES AND FUND BALANCE

Current Liabilities			
Cash Deficit	\$	3,690	
Account Payable		4,684	
Payroll Taxes Payable		293	
Accrued Audit Fees		3,524	
Garnishment		25	
Total Current Liabilities		12,216	\$ 12,216
Fund Balance			
Fund Balance		0	
Property Fund Balance		23,625	
Total Fund Balance		23,625	23,625
Total Liabilities and Fund Balance			\$ 35,841

See auditor's report and notes to the financial statement

NEW ORLEANS DRUG EDUCATION INTERVENTION CENTER, INC.
 STATEMENT OF REVENUE AND EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1996

REVENUE:	
Louisiana State Grant	\$ 80,000
Govenor Drug Free Program	14,909
Tutoring Program	62,894
Total Revenue	<u>157,803</u>
Expenditure	
Salaries	87,318
Payroll Taxes	9,259
Professional Services	8,205
Office Supplies	2,710
Insurance	5,848
Rent	7,200
Telephone	897
Utilities	1,696
Accounting Fees	5,585
Auto Expense	652
Audit Fees	3,524
Bank Services Charges	235
Other Operating Expense	1,049
Capital Purchase	23,625
Total Expenditures	<u>157,803</u>
Excess Revenue over Expenditure	0
Fund Balance Beginning	2,588
Adjustment to Fund Balance	(2,588)
Total Fund Balance	<u>0</u>
Beginning Property Balance	0
Property Addition	23,625
Total Property Addition	<u>23,625</u>
Ending Fund Balance	<u>\$ 23,625</u>

See auditor's report and notes to the financial statement

NEW ORLEANS DRUG EDUCATION INTERVENTION CENTER, INC.
 STATEMENT OF REVENUE AND SUPPORT
 FOR THE YEAR ENDED JUNE 30, 1996

REVENUE:	LA STATE GRANT	DRUG FREE	TUTORING PROGRAM	TOTAL
Louisiana State Grant	\$ 80,000	\$	\$	\$ 80,000
Govenor Drug Free Program		14,909		14,909
Tutoring Program			62,894	62,894
 Total Revenue	<u>80,000</u>	<u>14,909</u>	<u>62,894</u>	<u>157,803</u>
 Expenditure				
Salaries	50,994	8,092	28,232	87,318
Payroll Taxes	5,521	598	3,140	9,259
Professional Services	2,400	2,385	3,420	8,205
Office Supplies	140	196	2,374	2,710
Insurance	4,673	1,175		5,848
Rent	7,200			7,200
Telephone	897			897
Utilities	1,536	160		1,696
Accounting Fees	3,285	300	2,000	5,585
Auto Expense	652			652
Audit Fees	1,500	1,000	1,024	3,524
Bank Services Charges	153	5	77	235
Other Operating Expense	1,049			1,049
Capital Purchase	0	998	22,627	23,625
 Total Expenditures	<u>80,000</u>	<u>14,909</u>	<u>62,894</u>	<u>157,803</u>
 Surplus(Dificient)	\$ 0	\$ 0	\$ 0	\$ 0

See auditor's report and notes to the financial statement

NEW ORLEANS DRUG EDUCATION INTERVENTION CENTER, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1996

Cash Flows from Operating Activities		
Net Income		\$ 0
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in account receivable	\$ (11,272)	
Change in other current liabilities	3,764	
Change in accounts payable	4,501	
Total Adjustments		<u>(3,007)</u>
Net Cash Provided by Operating Activities		(3,007)
Cash Flow from Investment Activities:		
Purchase of Fixed Assets	23,625	
Proceeds from Fixed Assets	(23,625)	
Net Cash Provided by Investment Activities		0
Cash Flow from Financing Activities:		
Repayment of debt	(2,588)	
Net Cash Provided by Financing Activities		<u>(2,588)</u>
Net Increase(Decrease) in Cash		(5,595)
Cash at Beginning of Period		<u>2,849</u>
Cash at End of Period		<u>\$ (2,746)</u>

See auditor's report and notes to the financial statement

New Orleans Drug Education Intervention Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For Year Ended June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

New Orleans Drug Education Intervention Center, Inc. is a Non-Profit Organization established to provide preventive drug information, education, alternative activities, and intervention in schools in the community. The funding source comes from the Governor's Office of Urban Affairs and Development and State Department of Education.

Presentation of Financial Statements

The accompanying financial statements have been presented in accordance with the generally accepted accounting principles. They are presented on the accrual basis of accounting.

NOTE B - EXEMPT STATUS

The corporation is tax exempt under provision of Section 501 (c) (3) of the Internal Revenue Code and have met all of the applicable provisions of the law.

NOTE C - COMPENSATION TO DIRECTORS

The member of the Board of Directors received no compensation for services related to the governing of this agency or any of its programs nor were there any accruals made for these activities during the period being audited.

NOTE D - LEASES

New Orleans Drug Education Intervention Center, Inc., leases a building on a one-year renewable basis. The building is used primarily for the Center's Activities.

NEW ORLEANS DRUG INTERVENTION CENTER, INC.
 SCHEDULE OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1996

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS THROUGH NUMBER	EXPENTURES
U.S. DEPT OF EDUCATION			
GOVERNOR'S SAFE AND DRUG-FREE PROGRAM	84.032		\$ 14,909
TOTAL FEDERAL AWARD			\$ <u>14,909</u>

SUPPLEMENTARY INFORMATION

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NEW ORLEANS DRUG EDUCATION INTERVENTION CENTER, INC.
936 JACKSON AVENUE
NEW ORLEANS, LA 70130

**AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1996**

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 DEC 11 1996

**CHARLES F. WEBB
CERTIFIED PUBLIC ACCOUNTANT
616 BARONNE STREET - STE. 203
NEW ORLEANS, LA 70113
(504) 529-2220**

I performed test of controls as required by OMB Circular A-133 to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirement and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the organization's major program, which are identified in the accompanying schedule of federal awards. My procedures were less in scope that would be necessary to render an opinion on these internal control structure policies and procedures. According , I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable condition that are also considered to be material weakness as defined above.

This report is intended for the information of the audit committee, management, and others within the organization and appropriate state and federal agencies. However, this report is a matter of public record and its distribution is not limited.



Charles F. Webb
Certified Public Accountant

October 24, 1996

REPORT ON INTERNAL CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL AWARDS

New Orleans Drug Education Intervention Center, Inc.
936 Jackson Avenue
New Orleans, LA 70130

I have audited the basic financial statements of New Orleans Drug Education Intervention Center, Inc., as of and for the years ended June 30, 1966, and have issued my report thereon dated October 24, 1996.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Non-profit Institutions. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether New Orleans Drug Education Intervention Center, Inc. complied with laws and regulations, noncompliance with which would be material to a major federal program.

In planning and performing my audit for the years ended June 30, 1996 I considered New Orleans Drug Education Intervention Center, Inc. control structure in order to determine my auditing procedures for the purpose of expressing my opinion on New Orleans Drug Education Intervention Center, Inc. financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. I have addressed policies and procedures relevant to my audit of the financial statements in a separate report dated October 24, 1996.

The management of New Orleans Drug Education Intervention Center, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsible, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal awards programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure

REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GAS

New Orleans Drug Education Intervention Center, Inc.
936 Jackson Avenue
New Orleans, LA 70130

I have audited the financial statements of New Orleans Drug Education Intervention Center, Inc. as of and for the years ended June 30, 1996, and have issued my report thereon dated October 24, 1996.

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.

The management of New Orleans Drug Education Intervention Center, Inc. is responsible for *establishing and maintaining an internal control structure*. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of basic financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of New Orleans Drug Education Intervention Center, Inc. for the years ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the propose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

INTERNAL CONTROL REPORTS

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

Accounting Applications

1. Billings (in regards to reimbursement request)
2. Cash Receipts
3. Cash Disbursements
4. Revenues and Receivable
5. Purchasing
6. Payroll
7. Property and Equipment

Controls used in Administering Federal Programs

General Requirements

- . Political Activity
- . Civil Rights
- . Cash Management
- . Federal Financial Reports

Specific Requirements

- . Types of Services
- . Eligibility of Cost
- . Cost Allocation
- . Cost Incurred in Approved Period
- . Grant Budgets and Revisions

For all of the internal control categories listed above, I obtained an understanding of the design of relevant policies and procedure and whether they have been place in operation and I assessed control risk.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts 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 assign function.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessary disclose all reportable conditions that are considered to be material weaknesses as defined above.

CHARLES F. WEBB

CERTIFIED PUBLIC ACCOUNTANT

**REPORT ON COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS AND
GRANTS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

New Orleans Drug Education Intervention Center, Inc.
936 Jackson Avenue
New Orleans, La. 70130

I have audited the financial statements of New Orleans Drug Education Intervention Center, Inc., as of and for the years ended June 30, 1996, and have issued my report thereon dated October 24, 1996.

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 misstatements.

Compliance with laws, regulations, contracts, and grants applicable to New Orleans Drug Education Intervention Center, Inc.'s is the responsibility of New Orleans Drug Education Intervention Center, Inc. management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of New Orleans Drug Education Intervention Center, Inc.'s compliance with certain provisions of laws, regulations, contracts and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to reported herein under Government Auditing Standards.

This report is intended for the information of the audit committee, management and others within the organization and appropriate state and federal agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Charles F. Webb
Certified Public Accountant

October 24, 1996