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SAMUEL W. STEVENS, III
Certified Public Accountant

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**TWELFTH WARD SAVE OUR COMMUNITY
ORGANIZATION, INC.
NEW ORLEANS, LOUISIANA**

**Reviewed Financial Statements
June 30, 2006**

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 6/24/09

**TWELFTH WARD SAVE OUR COMMUNITY ORGINAZATION, INC.
NEW ORLEANS, LOUISIANA**

Financial Statements and Independent Accountant's Report

For the Year ended June 30, 2006

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SAMUEL W. STEVENS, III CPA

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

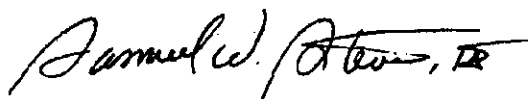
To the Board of Directors
Twelfth Ward Save Our Community Organization, Inc
New Orleans, Louisiana

I have reviewed the accompanying statement of financial position of Twelfth Ward Save Our Community Organization, Inc as of June 30, 2006, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of Twelfth Ward Save Our Community Organization, Inc

My review was conducted in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards issued by the Comptroller General of the United States of America. A review consists principally of inquires of entity personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated February 17, 2009, on the results of my agreed-upon procedures.



Samuel W. Stevens, III
Certified Public Accountant

February 17, 2009

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Statement of Financial Position

June 30, 2006

Assets

Current Assets:

| | | |
|-----------------------------|----|----------------|
| Cash | \$ | 124,268 |
| Other Receivable | | 11,523 |
| Total Current Assets | | <u>135,791</u> |

Property and Equipment:

| | | |
|-------------------------------------|--|----------------|
| Land | | 25,500 |
| Building & Improvements | | 97,673 |
| | | <u>123,173</u> |
| Less: Accumulated Depreciation | | (42,502) |
| Total Property and Equipment | | <u>80,671</u> |

| | | |
|---------------------|-----------|-----------------------|
| Total Assets | \$ | <u>216,462</u> |
|---------------------|-----------|-----------------------|

Liabilities and Net Assets

Current Liabilities:

| | | |
|-------------------------------------|----|---------------|
| Accounts Payable & Accrued Expenses | \$ | 8,172 |
| Payroll Taxes Payable | | 1,948 |
| Current Portion of Notes Payable | | 8,218 |
| Total Current Liabilities | | <u>18,338</u> |

| | | |
|---|--|--------------|
| <i>Long-Term Portion of Notes Payable</i> | | <u>9,909</u> |
|---|--|--------------|

| | | |
|--------------------------|--|---------------|
| Total Liabilities | | 28,247 |
|--------------------------|--|---------------|

Net Assets:

| | | |
|-------------------------|--|----------------|
| Unrestricted Net Assets | | <u>188,215</u> |
| Total Net Assets | | <u>188,215</u> |

| | | |
|---|-----------|-----------------------|
| Total Liabilities and Net Assets | \$ | <u>216,462</u> |
|---|-----------|-----------------------|

The accompanying notes are an integral part of the financial statements

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

**Statement of Activities
For the Year Ended June 30, 2006**

| | <i>Unrestricted</i> |
|--|---------------------|
| <i>Revenue and Support</i> | |
| Grants: | |
| State of Louisiana | \$ 229,723 |
| Contract Services | 67,184 |
| Insurance Proceeds | 113,474 |
| Total Revenue and Support | 410,381 |
| <i>Expenses</i> | |
| Program Services | |
| Aids Awareness and Outreach Program | 78,500 |
| Equipment Purchase and Building Renovation | 16,413 |
| Milan Transportation | 54,470 |
| Milan Reading | 71,992 |
| Elderly Affairs Program | 28,440 |
| Milan Area Senior Center | 25,572 |
| Total Program Services | 275,387 |
| Supporting Services: | |
| Management and General | 43,083 |
| Total Expenses | 318,470 |
| <i>Change in Net Assets</i> | 91,911 |
| Equipment Losses to Hurricane Katrina Disaster | (102,239) |
| <i>Net Assets</i> | |
| Beginning of Year | 198,543 |
| End of Year | \$ 188,215 |

The accompanying notes are an integral part of the financial statements

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Statement of Functional Expenses
Page 1 of 2

For the Year Ended June 30, 2006

| | <i>Aids Awareness And Outreach Program</i> | <i>Equipment Purchase and Building Renovation</i> | <i>Milan Transportation</i> | <i>Milan Reading</i> |
|---------------------------------------|--|---|---------------------------------|----------------------|
| Salaries | \$ 38,541 | \$ - | \$ - | \$ 54,314 |
| Fringe Benefits | 252 | - | - | - |
| Contract Labor | 400 | 3,000 | 46,700 | 9,600 |
| Travel | 204 | - | - | 550 |
| Operating Services | 17,054 | - | 1,441 | 3,194 |
| Supplies | 400 | 243 | 2,105 | 126 |
| Equipment | - | - | 2,470 | - |
| Professional Fees | 13,849 | 192 | 1,073 | 4,208 |
| Other Program Expenses | 7,500 | 1,928 | - | - |
| Miscellaneous | 300 | - | - | - |
| Repairs | - | 8,500 | 681 | - |
| Total Expenses Before Depreciation | 78,500 | 13,863 | 54,470 | 71,992 |
| Depreciation | - | 2,550 | - | - |
| Total Expenses | \$ 78,500 | \$ 16,413 | \$ 54,470 | \$ 71,992 |

The accompanying notes are an integral part of the financial statements

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Statement of Functional Expenses
Page 2 of 2

For the Year Ended June 30, 2006

| | Elderly Affairs Program | Milan Area Senior Center | Total Program Services | Management And General | Total Expenses |
|---------------------------------------|-------------------------------|-----------------------------|------------------------------|---------------------------|-------------------|
| Salaries | \$ 19,729 | \$ 17,975 | \$ 130,559 | \$ - | \$ 130,559 |
| Fringe Benefits | - | 1,748 | 2,000 | 1,324 | 3,324 |
| Contract Labor | 755 | 4,890 | 65,345 | - | 65,345 |
| Travel | - | - | 754 | - | 754 |
| Operating Services | 3,293 | 7 | 24,989 | 41,759 | 66,748 |
| Supplies | - | 167 | 3,041 | - | 3,041 |
| Equipment | - | - | 2,470 | - | 2,470 |
| Professional Fees | 4,228 | 750 | 24,300 | - | 24,300 |
| Other Program Expenses | 435 | - | 9,863 | - | 9,863 |
| Miscellaneous | - | 35 | 335 | - | 335 |
| Repairs | - | - | 9,181 | - | 9,181 |
| Total Expenses Before Depreciation | 28,440 | 25,572 | 272,837 | 43,083 | 315,920 |
| Depreciation | - | - | 2,550 | - | 2,550 |
| Total Expenses | \$ 28,440 | \$ 25,572 | \$ 275,387 | \$ 43,083 | \$ 318,470 |

The accompanying notes are an integral part of the financial statements

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.

Statement of Cash Flows

June 30, 2006

Cash Flows from Operating Activities:

| | |
|--|-----------------------|
| Change in Net Assets | \$ 91,911 |
| | |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided from Operations: | |
| Depreciation | 2,550 |
| Decrease in Payables | <u>(55,608)</u> |
| Total Adjustments | <u>(53,058)</u> |
| <i>Net Cash Provided by Operating Activities</i> | <u>38,853</u> |
| | |
| <i>Cash Flows from Financing Activities:</i> | |
| Increase in Notes Payable | <u>23,187</u> |
| <i>Net Cash Flows Provided by Financing Activities</i> | <u>23,187</u> |
| <i>Net Increase in Cash</i> | <u>62,040</u> |
| <i>Cash, Beginning of Year</i> | <u>62,228</u> |
| <i>Cash, End of Year</i> | <u>\$ 124,268</u> |

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 -Organization and Purpose

Background

The Twelfth Ward Save Our Community Organization, Inc. (the "Organization") is a not-for-profit corporation organized under the laws of the State of Louisiana. The purpose for which the Organization is organized are exclusively religious, charitable, scientific, literary, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

General

As of June 30, 2006, the Organization administered the following programs:

- Martin Luther King Homemaker Services Program
- Milan-Broadmoor Senior Center Program
- Milan Transportation Program
- Inner City Minority Aids Awareness and Outreach Program

A brief description of each program follows:

- Martin Luther King Homemaker Services Program

The Martin Luther King Homemaker Services (MLK Homemakers) Program began in 1992. The major activities of the program consist of performing routine household tasks including dusting, washing dishes, sweeping, running errands, shopping, and some other services needed or requested by clients. The program provides companionship and any other socialization of cleaning activities that will make the clients daily living easier.

- Milan-Broadmoor Senior Center Program

The Milan-Broadmoor Senior Center (Milan Area Senior) Program was established in 1966. The program was created to facilitate and actively administer to its many elderly, their need of supportive services and activities which will enhance their independence and encourage community involvement. The program provides transportation for seniors to and from the center to receive a well balance mid-day meal. Other activities are planned for socialization, health related, recreational and educational activities.

- Milan Transportation Program

The Milan Transportation Program consists of supplemental funds to Milan Area Senior Citizen Center. Transportation is offered to all senior citizen participants to help increase enrollment by assisting clients with transportation to and from the center. The program is also used to assist seniors with transportation to and from appointments, primarily for medical care, however, other scheduled appointments are permitted.

NOTE 1 - Organization and Purpose, Continued:

General, Continued

- Inner City Minority Aids Awareness and Outreach Program

The Inner City Minority Aids Awareness and Outreach Program began in 1999. The program is an educational outreach that aims to educate all members of the community especially inner city minority in the prevention of HIV/AIDS. The primary goal of the program is to distribute brochures and other educational materials in shopping centers, markets and churches. The program also organizes a giant rally for members of the community.

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 day of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Equipment

Contributed equipment is recorded at fair value at the date of donation. If a donor stipulates how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of equipment are recorded as unrestricted support.

Allocation of Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities.

Accordingly, program and support service expenses are specifically identified with or allocated the Organization's various functions. Expenses requiring allocation include services provided by the Organization's management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

Financial Statement Presentation

The financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 116 "Accounting for Contributions Received and Contributions Made", and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the required classes of net assets. At June 30, 2006, the Organization has no temporarily restricted or permanently restricted net assets.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Revenues and Support Recognition

Revenues received under government grant programs are recognized when earned. Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

NOTE 3 - Notes Payable:

A summary of the note payable as of June 30, 2006 is as follows:

| | |
|---|----------------|
| 3% note due in 15 annual installments of \$10,000, including principal and interest, secured by the building | \$18,127 |
| Less: Current portion | <u>(8,218)</u> |
| Long-term portion | <u>\$9,909</u> |

The principal payments due on the note payable for the next five years are as follows:

| | |
|----------------------|-----------------|
| Year Ending June 30, | |
| 2007 | \$ 8,218 |
| 2008 | <u>9,909</u> |
| | <u>\$18,127</u> |

NOTE 4 - Commitments:

Rental expenses resulting from facility operating leases approximate \$38,400 for the year ended June 30, 2006.

The Organization has entered into contractual arrangements with certain individuals to provide operational assistance, tutorial, self-development, and recreational assistance. Such contracts are generally for six (6) to twelve (12) month periods.

NOTE 5 - Contingencies:

The Organization provides services under contract and is a recipient of grants from State funds. These grants are governed by various State guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants is under the control of the Organization and is subject to audit and/or review by the applicable funding sources. Any grant or award funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding sources may be subject to recapture.

At June 30, 2006, approximately fifty-six (56) percent of the Organization's operation support is derived from grants.

NOTE 6 - Risk Management:

The Organization is exposed to various risk of loss related to torts; theft of; damage to and destruction of assets for which the Organizations carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated.

NOTE 8 - Concentration of Credit Risk:

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

SAMUEL W. STEVENS, III CPA

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Twelfth Ward Save Our Community Organization, Inc
New Orleans, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Twelfth Ward Save Our Community Organization, Inc. (Twelfth Ward) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Twelfth Ward's compliance with certain laws and regulations during the year ended June 30, 2006 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 and applicable standards of Government Auditing Standards. 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.

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.

Twelfth Ward's federal, state, and local award expenditures for all programs for the fiscal year follow:

| | | |
|----------------------------------|------|-------------------|
| Louisiana Department of Treasury | 2006 | \$ <u>229,723</u> |
| Total Expenditures | | \$ <u>229,723</u> |

2. For each award, I randomly selected six disbursements administered during the period under examination.
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 selected 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

All six payments were properly coded to the correct fund and general ledger account.

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

All items were properly approved by the executive director

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. No exceptions were noted.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements. No exceptions were noted.

Reporting

I reviewed the previously listed disbursements for reporting requirements. No exceptions were noted.

7. For the programs selected for testing in Procedure 2 that had been closed out during the period under review, I compared the close-out report, when required, with the entity's financial records to determine whether the amounts agreed.

The disbursements selected did not include any close out reports.

Meetings

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as required by LSA-RS 42:1 through 42:12.

Although no notice is physically posted at its office, Twelfth Ward notifies each board member by email, posted mail, and telephone of its scheduled meetings.

Comprehensive Budget

9. For all grants/contracts exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration.

Twelfth Ward provided comprehensive budgets to the applicable state grantor/contract agency 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 Year Comments and Recommendations

10. I reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no 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 management of Twelfth Ward, 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.



Samuel W. Stevens, III
Certified Public Accountant

February 17, 2009

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC
Schedule Of Findings
June 30, 2006

Finding 2006-1

The review audit of Twelfth Ward Save Our Community Organization, Inc. was not timely completed as required by the State of Louisiana's Legislative Auditor.

CAUSE:

The Corporation had to request records lost or misplaced as a result of hurricane Katrina.

EFFECT:

The review of Twelfth Ward Save Our Community Organization, Inc. is noncompliant with state law, which requires a non-profit organization to submit its reviewed statements within six months of year-end.

CRITERIA:

The Louisiana Revised Statutes require all governmental and quasi-public entities to complete the audit process and submit required reports to the Legislative Auditor of the State of Louisiana within six months of the entity's year-end.

RECOMMENDATION:

Although lost or destroyed records are understandable when a natural disaster strikes, the Organization should consider cost effective methods to protect and store records.

MANAGEMENT'S RESPONSE:

Management will monitor it's reporting deadlines and ensure that a qualified CPA is engaged timely to complete the assurance engagement by December 31st and the financial records and statements are ready for the assurance engagement no later than September 30th following the end of its fiscal year.

Finding 2006-2

Twelfth Ward Save Our Community Organization, Inc. did not provide evidence that it posted a copy of a notice at its principal office or other meeting office advising the public of it's board meetings.

CAUSE:

Although the organization post written notice of it's board meetings, copies of the notice could not be found.

EFFECT:

Twelfth Ward Save Our Community Organization, Inc. is noncompliant with state law, which requires a non-profit organization to post a written notice of it's board meetings at it's principal office, or if no such office exists, at the building in which the meeting is to be held; or by publication of the notice in an official journal of the public body no less than twenty-four hours before the meeting.

CRITERIA:

The Louisiana Revised Statutes require posting a copy a written notice of it's board meetings at the principal office of the public body holding the meeting, or if no such office exists, at the building in which the meeting is to be held; or by publication of the notice in an official journal of the public body no less than twenty-four hours before the meeting

RECOMMENDATION:

I recommend review of LSA-RS 42:7 and that written notice of all board meetings be retained as evidence of compliance.

MANAGEMENT'S RESPONSE:

Management will comply with LSA-RS 42:7 and retain copies of its written notice of all board meetings.

12th Ward Save Our Community Organizaion
2020 Jackson Ave.
P.O. Box 58890
New Orleans, La 70158-8690
504 529-1860 Fax 504 529-1877

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

Samuel W. Stevens, III, CPA
P.O. Box 52631
Shreveport, La 71135

In connection with your review of our financial statements as of June 30, 2006 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 August 31, 2008.

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 [x] 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 [x] 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 [x] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [x] 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.

Sharon A. LeLong Executive Director 12/2/08 Date
[Signature] Accountant 12/2/08 Date