
THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
The Church United for Community Development
St. Amant, Louisiana

We have reviewed the accompanying financial statements of The Church United for Community Development, (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Postlethwaite & Netterville

Gonzales, Louisiana
June 29, 2018

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
(A NOT FOR PROFIT ORGANIZATION)
St. Amant, Louisiana

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 138,195	\$ 167,528
Accounts receivable	399,306	155,227
Total current assets	537,501	322,755
<u>PROPERTY AND EQUIPMENT, NET</u>		
Property and equipment, net	766,057	850,492
Total Assets	\$ 1,303,558	\$ 1,173,247
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Due to affiliate	\$ 270,000	\$ -
Accounts payable	37,153	29,176
Accrued liabilities	49,700	8,068
Notes payable, current portion	40,273	35,170
Total current liabilities	397,126	72,414
<u>LONG-TERM LIABILITIES</u>		
Notes payable, net of current portion	227,415	250,681
Total long-term liabilities	227,415	250,681
Total liabilities	624,541	323,095
<u>NET ASSETS</u>		
Unrestricted	672,739	840,682
Temporarily restricted	6,278	9,470
Total net assets	679,017	850,152
Total Liabilities and Net Assets	\$ 1,303,558	\$ 1,173,247

See accompanying notes and independent accountants' review report.

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
(A NOT FOR PROFIT ORGANIZATION)
St. Amant, Louisiana

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>UNRESTRICTED REVENUES AND OTHER SUPPORT</u>		
Contributions	\$ 45,504	\$ 6,446
Contractual federal governmental support	147,832	190,024
Local grant income	20,000	-
United works	4,782,562	1,573,248
Other income	8,083	38,705
	<u>5,003,981</u>	<u>1,808,423</u>
Net assets released from restrictions	53,192	67,066
Total unrestricted revenues and other support	<u>5,057,173</u>	<u>1,875,489</u>
<u>EXPENSES</u>		
Program expenses:		
HUD Transitional housing	5,115,452	1,756,583
Low income housing	11,466	23,732
HUD permanent housing	15,603	27,495
Total program services	<u>5,142,521</u>	<u>1,807,810</u>
Management and general	82,595	93,485
Total expenses	<u>5,225,116</u>	<u>1,901,295</u>
Change in unrestricted net assets	(167,943)	(25,806)
<u>TEMPORARILY RESTRICTED NET ASSETS</u>		
Local grants	50,000	50,000
Net assets released from restriction	<u>(53,192)</u>	<u>(67,066)</u>
Change in temporarily restricted net assets	<u>(3,192)</u>	<u>(17,066)</u>
Total change in net assets	(171,135)	(42,872)
Net asset - beginning of year	<u>850,152</u>	<u>893,024</u>
Net assets - end of year	<u>\$ 679,017</u>	<u>\$ 850,152</u>

See accompanying notes and independent accountants' review report.

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
(A NOT FOR PROFIT ORGANIZATION)

St. Amant, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services			Total Program Services	Management and General	Total
	HUD Transitional Housing	Low Income Housing	HUD Permanent Housing			
<u>SALARIES AND RELATED EXPENSES</u>						
Salaries and wages	\$ 2,692,950	\$ -	\$ 5,821	\$ 2,698,771	\$ 40,362	\$ 2,739,133
Payroll taxes	646,894	-	-	646,894	4,540	651,434
Total salaries and related expenses	<u>3,339,844</u>	<u>-</u>	<u>5,821</u>	<u>3,345,665</u>	<u>44,902</u>	<u>3,390,567</u>
<u>OTHER EXPENSES</u>						
Advertisement	1,919	-	-	1,919	-	1,919
Auto expense	56,177	-	-	56,177	-	56,177
Bad debt	7,260	-	-	7,260	-	7,260
Loss on disposal	-	-	-	-	9,731	9,731
Business fees	43,401	-	-	43,401	-	43,401
Repairs and maintenance	117,909	1,279	7,316	126,504	2,754	129,258
Supplies	85,557	1,871	-	87,428	45	87,473
Utilities	86,015	2,120	1,958	90,093	-	90,093
Telephone	19,510	-	155	19,665	548	20,213
Gasoline	82,685	-	-	82,685	513	83,198
Food	72,958	347	-	73,305	-	73,305
Insurance	191,478	-	172	191,650	3,641	195,291
Job materials	438,002	-	-	438,002	18,237	456,239
Contract labor	70,926	-	-	70,926	-	70,926
Equipment rental	95,539	-	-	95,539	-	95,539
Gifts	5,879	125	-	6,004	-	6,004
Interest	10,358	5,591	-	15,949	-	15,949
Medical expense	662	-	-	662	-	662
Missions	165,200	-	-	165,200	-	165,200
Program expenses	17,208	-	-	17,208	-	17,208
Rent	8,003	-	-	8,003	-	8,003
Sales tax expense	1,103	-	-	1,103	-	1,103
Travel	19,493	-	-	19,493	1,268	20,761
Other	119,616	-	-	119,616	-	119,616
Total other expenses	<u>1,716,858</u>	<u>11,333</u>	<u>9,601</u>	<u>1,737,792</u>	<u>36,737</u>	<u>1,774,529</u>
Total expenses before depreciation	5,056,702	11,333	15,422	5,083,457	81,639	5,165,096
Depreciation of buildings and equipment	58,750	133	181	59,064	956	60,020
Total expenses	<u>\$ 5,115,452</u>	<u>\$ 11,466</u>	<u>\$ 15,603</u>	<u>\$ 5,142,521</u>	<u>\$ 82,595</u>	<u>\$ 5,225,116</u>

See accompanying notes and independent accountants' review report.

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
(A NOT FOR PROFIT ORGANIZATION)
St. Amant, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services			Total Program Services	Management and General	Total
	HUD Transitional Housing	Low Income Housing	HUD Permanent Housing			
<u>SALARIES AND RELATED EXPENSES</u>						
Salaries and wages	\$ 707,496	\$ -	\$ 10,020	\$ 717,516	\$ 38,333	\$ 755,849
Payroll taxes	110,006	-	767	110,773	3,209	113,982
Total salaries and related expenses	<u>817,502</u>	<u>-</u>	<u>10,787</u>	<u>828,289</u>	<u>41,542</u>	<u>869,831</u>
<u>OTHER EXPENSES</u>						
Advertising	2,368	-	-	2,368	-	2,368
Auto expense	9,846	-	-	9,846	-	9,846
Bad debt	9,487	-	-	9,487	-	9,487
Loss on disposal	-	-	-	-	25,520	25,520
Business fees	49,056	-	-	49,056	415	49,471
Repairs and maintenance	130,333	7,547	5,203	143,083	644	143,727
Supplies	59,580	212	694	60,486	-	60,486
Utilities	47,852	4,586	3,245	55,683	-	55,683
Continuing education	2,445	-	-	2,445	-	2,445
Donations	-	-	-	-	700	700
Telephone	12,765	557	557	13,879	339	14,218
Gasoline	37,209	-	-	37,209	45	37,254
Food	47,246	980	-	48,226	-	48,226
Insurance	81,072	-	5,604	86,676	5,029	91,705
Job materials	36,347	-	-	36,347	16,646	52,993
Contract labor	94,324	-	-	94,324	-	94,324
Equipment rental	29,004	2,581	-	31,585	-	31,585
Gifts	16,835	-	-	16,835	-	16,835
Interest	-	6,316	-	6,316	-	6,316
Medical expense	6,298	-	-	6,298	-	6,298
Missions	88,183	-	-	88,183	-	88,183
Needs	5,762	-	-	5,762	-	5,762
Phase 4 expenses	34,576	-	-	34,576	-	34,576
Program expenses	15,072	53	390	15,515	-	15,515
Rent	26,039	-	-	26,039	-	26,039
Travel	6,395	-	-	6,395	241	6,636
Other	30,748	100	38	30,886	-	30,886
Total other expenses	<u>878,842</u>	<u>22,932</u>	<u>15,731</u>	<u>917,505</u>	<u>49,579</u>	<u>967,084</u>
Total expenses before depreciation	1,696,344	22,932	26,518	1,745,794	91,121	1,836,915
Depreciation of buildings and equipment	60,239	800	977	62,016	2,364	64,380
Total expenses	<u>\$ 1,756,583</u>	<u>\$ 23,732</u>	<u>\$ 27,495</u>	<u>\$ 1,807,810</u>	<u>\$ 93,485</u>	<u>\$ 1,901,295</u>

See accompanying notes and independent accountants' review report.

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
(A NOT FOR PROFIT ORGANIZATION)
St. Amant, Louisiana

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (171,135)	\$ (42,872)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	60,020	64,380
Bad debt expense	7,260	9,487
Loss on disposal of property and equipment	9,731	25,520
Change in accounts receivable	(251,339)	(95,762)
Change in due to affiliate	270,000	-
Change in accounts payable	7,977	23,778
Change in accrued liabilities	41,632	6,879
Net cash provided by (used in) operating activities	<u>(25,854)</u>	<u>(8,590)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(37,649)	(57,138)
Proceeds from sale of property and equipment	52,333	-
Net cash provided by (used in) investing activities	<u>14,684</u>	<u>(57,138)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from issuance of debt	16,945	48,503
Principal payments on notes payable	(35,108)	(30,250)
Net cash provided by financing activities	<u>(18,163)</u>	<u>18,253</u>
Net change in cash and cash equivalents	(29,333)	(47,475)
Cash and cash equivalents, beginning of year	<u>167,528</u>	<u>215,003</u>
Cash and cash equivalents, end of year	<u>\$ 138,195</u>	<u>\$ 167,528</u>
<u>Supplemental cash flow information</u>		
Interest paid	<u>\$ 15,949</u>	<u>\$ 6,316</u>

See accompanying notes and independent accountants' review report.

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
St. Amant, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Church United for Community Development (the Organization) is a nonprofit Organization which was organized under the laws of the State of Louisiana to partner with government, schools, businesses, and community organizations to improve the quality of life for its citizens by building strong families, providing education and training, and teaching integrity, character, and leadership. It operates principally in Ascension Parish, Louisiana.

Program services are supported by an income-generating program designed by the Organization to provide general contracting services, as well as allocations received from contractual federal governmental support and local awards. The income-generating program support amounted to \$4,782,562 and \$1,573,248 for the years ended December 31, 2017 and 2016, respectively. These revenues approximated 95% and 84% of total support and revenue for the years ended December 31, 2017 and 2016. While the Organization receives contractual governmental support, future operating results are not contingent solely on the Organization's continuing ability to secure contracts and awards.

A summary of the Organization's significant accounting policies is as follow:

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, include all significant receivables, other assets, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the ASC, non-profit organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted Net Assets - net assets subject to donor-imposed stipulations that will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Permanently Restricted Net Assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization does not have any permanently restricted net assets.

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
St. Amant, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For purposes of reporting, the Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

The Organization maintains cash in bank deposit accounts at various financial institutions. The balances, at times, may exceed federally insured limits.

Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Accounts are considered uncollectible if payments are not received within the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivables when management determines the receivable will not be collected. As of December 31, 2017 and 2016, management believes all receivables to be collectable.

For the years ended December 31, 2017 and 2016, the Organization had bad debt expense of \$7,260 and \$9,487, respectively.

Property and Equipment

Expenditures for the acquisition of land, buildings, equipment and vehicles are capitalized at cost. Replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. Donated property and equipment is capitalized, if applicable, at the estimated fair value on the date of donation. Depreciation is computed using the straight line method over the following estimated useful lives:

Buildings	30 - 40 years
Equipment	3 - 10 years
Rental property	10 years
Vehicles	5 years

Restrictions on Net Assets

Temporary restrictions on net assets at the end of 2017 and 2016 were related to funds restricted for the purpose of designing, building, and installing a new roof structure and repairing exterior walls of the Donaldsonville Kingdom Men facility and the purpose of a Case Manager for the Kingdom Men program.

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
St. Amant, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. United Works' program revenue is recognized as services are performed, and therefore earned. The Organization also receives program support from federal and local awards. The program recovers its costs on a reimbursement basis, as contracted and based on approved budgets. Revenues are recognized when services are performed.

Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 statements of activities as net assets released from restrictions.

Expenses

Program service expenses are the direct and indirect costs related to accomplishing the Organization's objectives. Management and General costs are expenses for activities not directly related to the purpose for which the organization exists. The cost of providing various programs and supporting services have been reported on a functional basis in the statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services based on estimates made by management.

Income Taxes

The Organization accounts for income taxes in accordance with the income tax accounting guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

The Church United for Community Development is a nonprofit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, and is classified by the Internal Revenue Service as other than a private foundation. Therefore, the Organization has not recorded a provision for income taxes in the accompanying financial statements. The Organization files a federal income tax return under the U.S. federal jurisdiction.

The Organization follows the accounting guidance related to accounting for uncertain tax positions. In Management's judgment, the Organization does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect certain reported amounts and disclosures. Such estimates include, among other things, the estimated useful lives of property and equipment. Therefore, actual results may vary from those estimates.

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
St. Amant, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Services and Donated Materials

A significant portion of the Organizations functions are conducted by unpaid board members and volunteers. The value of this contributed service is not reflected in the accompanying financial statements since the volunteers' service does not meet the criteria necessary for recognition. Contributions of donated non-cash assets are recorded at their fair values when received.

Accounting Pronouncement Issued But Not Yet Adopted

Financial Accounting Standards Board (FASB) has issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Under the ASU, the number of net asset classes is decreased from three to two; enhanced disclosures of underwater endowments are required; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how an entity manages its liquid available resources and liquidity risks is required. This standard is effective for fiscal years beginning after December 15, 2017. Early application of the standard is permitted.

Reclassification

Certain amounts in the 2016 financial statements have been reclassified to conform to the current year presentation.

2. PROPERTY AND EQUIPMENT

A summary of property and equipment as of December 31, 2017 and 2016, is as follows:

	<u>2017</u>	<u>2016</u>
Buildings	\$ 796,742	\$ 796,742
Equipment	334,507	454,132
Furniture and fixtures	36,426	36,426
Vehicles	32,379	35,400
Land	<u>5,000</u>	<u>5,000</u>
	1,205,054	1,327,700
Less: accumulated depreciation	<u>(438,997)</u>	<u>(477,208)</u>
Net property and equipment	<u>\$ 766,057</u>	<u>\$ 850,492</u>

3. AFFILIATE

The Church in St. Amant, an affiliate, has loaned the Organization \$270,000. This loan specifies no repayment schedule, bears no interest and is unsecured.

The Church in St. Amant's Pastor is a board member of the Organization. The Church in St. Amant also provides administrative and accounting support to the Organization.

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
St. Amant, Louisiana

NOTES TO FINANCIAL STATEMENTS

4. LONG-TERM DEBT

A summary of long-term debt as of December 31, 2017 and 2016, is as follows:

	2017	2016
Note payable to an individual, due in January of 2027, payable in monthly installments of \$2,165, including interest at 5.50%, secured by building and land	\$ 136,587	\$ 154,482
Note payable to bank, which was originally due during 2016 and refinanced to be due in April of 2019, payable in monthly installments of \$1,154, including interest at 6.5%, secured by building and land	80,167	88,413
Note payable due in June of 2021, payable in monthly installments of \$897, including interest at 4.5%, secured by equipment	34,753	42,956
Note payable due in October of 2022, payable in monthly installments of \$315, including interest at 4.32%, secured by equipment	16,181	-
	267,688	285,851
Less: current maturities	(40,273)	(35,170)
Long-term portion	\$ 227,415	\$ 250,681

Maturities of the Organization's debt are as follows for the years ending December 31:

Year ending	Amount
2018	\$ 40,273
2019	104,449
2020	34,820
2021	31,225
2022	26,378
Thereafter	30,543
	\$ 267,688

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
St. Amant, Louisiana

NOTES TO FINANCIAL STATEMENTS

5. PROGRAM SERVICES

A summary of program services for the years ended December 31, 2017 and 2016 is as follows:

HUD Transitional Housing

The Church United for Community Development operates a half way house for men in Gonzales and Donaldsonville called "Kingdom Men." The program is designed to help men get reacclimated into society after being incarcerated or because of addiction to drugs or alcohol. The program teaches fathering skills, financial management, literacy, job skills, and life skills. In addition, the Organization received partial funding from the Department of Housing and Urban Development to build and operate a multi-family housing unit in Gonzales, Louisiana. There are four units that will house homeless or near homeless individuals or families for up to twenty-four months. United Works is an area of the church that provides sub-contractor work for other contracts and also bids on construction projects, and demolition jobs to allow for work training skills for those in the transitional housing program.

HUD Permanent Housing

The Organization received partial funding from the Department of Housing and Urban Development to build and operate a multi-family housing unit in Gonzales, Louisiana. The Organization used third party contributions to finance the remainder of the project. The construction for a four-unit housing building was completed and opened in 2008. The building will be organized as a permanent housing situation for individuals or families.

Low Income Housing

This category includes any expenses related to the men and women housing projects not covered under the federal or local grants.

6. SUBSEQUENT EVENTS

Management has evaluated events through June 29, 2018, the date that the financial statements were available to be issued, and determined that no events occurred that required additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT
(A NOT FOR PROFIT ORGANIZATION)
St. Amant, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head: Mark Stermer

Salary	\$	23,311
Benefits- insurance		-
Benefits- retirement		-
Car allowance		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Conference travel		-
Continuing professional education fees		-
Housing		-
Unvouchered expenses		-
Special meals		-
	\$	<u>23,311</u>

See independent accountants' review report.

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Directors
The Church United for Community Development
and the Louisiana Legislative Auditor
St. Amant, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Church United for Community Development (a nonprofit organization), the Louisiana Legislative Auditor (the specified parties) on the Church United for Community Development's compliance with certain laws and regulations contained in in the accompanying *Louisiana Attestation Questionnaire* during the year ended December 31, 2017, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of the Church United for Community Development is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Organization's management.

The Church United for Community Development provided us with the following list of expenditures made for federal, state, and local grant awards received during the fiscal year ended December 31, 2017.

Federal Awards	Award Year	CFDA No.	Amount
LA Emergency Shelter Grant Program for the Homeless	2016	14.231	\$ 42,181
Continuum of Care Grant Program-HUD Transitional Housing	2016	14.267	94,309
Continuum of Care Grant Program-HUD Permanent Housing	2016	14.267	11,342
Total Expenditures			\$ 147,832

Local Awards	Award Year		Amount
Huey and Angelina Wilson Foundation – KMD	2015		\$ 6,620
Huey and Angelina Wilson Foundation – Case Manager	2017		46,572
Ascension Parish Appropriations Grant – Welding Shop	2017		13,283
Total Expenditures			\$ 66,475



Postlethwaite & Netterville

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements would be selected.

We selected a total of 30 disbursements, according to the procedure defined above, for the fiscal year in question.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agreed to the amount and payee in the supporting documentation.

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

4. Report whether the disbursements selected in Procedure 2 were coded to the correct fund and general ledger account.

All of the disbursements were coded to the correct fund and general ledger account.

5. Report whether the disbursements selected in Procedure 2 were approved in accordance with the Organization's policies and procedures.

The Organization's policies and procedures state that either a program director and/or the senior pastor must approve and authorize all expenditures before disbursement occurs. Documentation supporting each of the selected disbursements included the signature of the program director and/or senior pastor, except two. These disbursements (check no. 7736 and 7683) totaling \$2,292 were not properly approved.

6. For each disbursement selected in Procedure 2 made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Activities allowed or unallowed

We compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. All disbursements complied with applicable allowability requirements. No exceptions were noted.

Eligibility

We compared documentation for each of the selected disbursements with program compliance requirements related to eligibility. All disbursements complied with applicable eligibility requirements. No exceptions noted.

Reporting

We compared documentation for each of the selected disbursements with program compliance requirements related to reporting. All disbursements complied with applicable reporting requirements. No exceptions noted.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close out reports, if applicable, with the Organization's financial records; and report whether the amounts in the close-out reports agree with the Organization's financial records.

The selected disbursements included two federal grant awards that were closed out during the fiscal year. However, no close-out requirements were indicated upon our review of the grant award letters and applications.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Management represented that the organization is only required to post a notice of each meeting and the accompanying agenda on the door of the organization's office building. Based on representations by management, all meetings held, as they relate to public funds, were properly posted.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the organization provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

The organization provided documentation that comprehensive budgets were submitted to the applicable federal and/or state grantor agency for the grants exceeding five thousand dollars. These budgets included the purpose and duration of the grant program, as well as specific goals, objectives and measures of performance.

State Audit Law

10. Report whether the organization provided for a timely report in accordance with R.S. 24:513.

The organization's report will be submitted to the Legislative Auditor before statutory due date of June 30, 2018.

11. Inquire of management and report whether the organization entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the organization was not in compliance with R.S. 24:513 (the audit law).

The organization's management represented that the organization did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

No prior year suggestions or recommendations were noted.



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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in the *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Organization's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Organization's compliance with certain laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire*, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Postlethwaite & Netterville

Postlethwaite & Netterville
Gonzales, Louisiana
June 29, 2018

LOUISIANA ATTESTATION QUESTIONNAIRE

Postlethwaite & Netterville, APAC
326 E. Cornerview
Gonzales, LA 70737

In connection with the review of our financial statements as of December 31, 2017, 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 regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to make these representations.

These representations are based on the information available to us, The Church United for Community Development, as of June 30, 2018.

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 local 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 R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to 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

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

Prior-Year Comments

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

Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

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.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

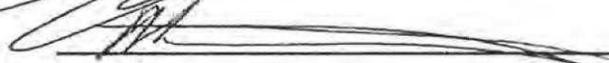
Yes No

The previous responses have been made to the best of our belief and knowledge. 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 that may occur up to the date of your report.

 Secretary 6/16/2018 Date

 Treasurer 6/16/2018 Date

 President 6/16/2018 Date