

Pointe Coupee Community Advancement, Inc.
New Roads, Louisiana

Independent Accountant's Compilation Report
Year Ended September 30, 2019

Donald R. Ford, CPA, LLC
Certified Public Accountant
A Limited Liability Company

**Pointe Coupee Community Advancement, Inc.
New Roads, Louisiana**

**Compiled Financial Statements
For the Year Ended September 31, 2019**

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DONALD R. FORD

**CERTIFIED PUBLIC ACCOUNTANT
A LIMITED LIABILITY COMPANY
MEMBER**

AMERICAN INSTITUTE OF CPAS
SOCIETY OF LOUISIANA CPAS

Board of Directors
Pointe Coupee Community Advancement, Inc.
New Roads, Louisiana

Management is responsible for the accompanying financial statements of Pointe Coupee Community Advancement, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Other Matter

The supplementary information schedule titled Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to my compilation engagement, however, I have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, not provide any assurance on such information.

Donald Ford

Zachary, Louisiana
June 15, 2020

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019

CURRENT ASSETS

Cash and cash equivalents	\$ 3,953
	<hr/>
Total current assets	\$ 3,953
	<hr/>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll and related liabilities	\$ 14,474
Other liability	2,500
	<hr/>
Total current liabilities	16,974
	<hr/>

NET ASSETS

Without donor restrictions	<hr/> (13,021)
	<hr/>
Total net assets	(13,021)
	<hr/>
Total liabilities and net assets	\$ 3,953
	<hr/>

See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

	Without Donor Restrictions
REVENUES AND OTHER SUPPORT	
State grant revenue	\$ 44,439
Total revenues and other support	44,439
EXPENSES	
Program services - Community Services Block Grant	35,510
Supporting services:	
Management and general	5,947
Total expenses	41,457
Change in net assets	2,982
Net assets at beginning of year	(16,003)
NET ASSETS AT END OF YEAR	\$ (13,021)

See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Bank Service Charges	63	11	74
Insurance	638	113	750
Office Supplies	356	22	378
Other Expenses	336	34	370
Professional Fees	255	45	300
Rent	3,315	780	4,095
Salaries	24,456	3,934	28,390
Telephone	2,585	456	3,042
Utilities	3,506	552	4,058
TOTAL	35,510	5,947	41,457

See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 2,982
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
(Decrease) increase in liabilities	<u>971</u>
Net cash provided by (used in) operating activities	<u>3,953</u>
Net increase (decrease) in cash and cash equivalents	3,953
Cash and cash equivalents, beginning of year	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,953</u></u>

See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
Notes to the Financial Statements
For the Year Ended September 30, 2019

Note 1 – Summary of Significant Accounting Policies

A. Organization

Pointe Coupee Community Advancement, Inc. (the Organization) was organized in 1965 in New Roads, Louisiana, as a voluntary-health and welfare non-profit organization. It was established under the Civil Rights Act of 1964 through the Office of Equal Opportunity (OEO) in June 1965. It functions as a community action agency, which receives state grant revenue, whose purpose is to improve the quality of life for low income, needy persons throughout the area with emphasis on providing education, nutrition, health and social assistance to underprivileged children and nutritional and energy assistance to low income persons. The Organization is governed by a fifteen member Board of Directors, including at least one-third shall be individuals with low-income who reside in the area to be served by the Organization, one-third shall be elected public officials currently holding office in the geographic area to be served by the Organization, and the remaining members shall be designees of business, industry, labor, religious welfare, education, or other major groups and interests in the community.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, they reflect revenues and related receivables when earned rather than when received and expenses and related payables when incurred rather than when paid.

C. Classification of Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Organization does not have any net assets with donor restrictions at September 30, 2019:

Net Assets Without Donor Restrictions - Net assets and revenue available and used for current operations and expenditures for current programs. These net assets are not subject to donor or grantor stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that will be met with the passage of time or occurrence of other events. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for the resource was restricted has been fulfilled or both.

D. Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

E. Capital Assets

The Organization's policy is to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
Notes to the Financial Statements
For the Year Ended September 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset. Useful lives vary from 3 to 7 years for furniture and equipment and 10 years for leasehold improvements. At September 30, 2019, the Organization had no capitalized property and equipment and therefore, no depreciation expenses are recorded in the financial statements.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

G. Income Taxes

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

H. Contributions

Contributions are generally recorded only upon receipt, unless evidence or an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value for the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor. The Organization had no restricted net assets as of the year ended September 30, 2019.

I. Functional Allocation of Expenses

The cost of providing the various program and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

J. Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

K. Adoption of New Accounting Standards

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU reduces the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. While the ASU changes the presentation of the organization's financial statements, it does not alter its reported financial position.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
Notes to the Financial Statements
For the Year Ended September 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle was adopted retrospectively in 2018. There was no cumulative-effect adjustment to opening net assets without donor restrictions as of October 1, 2019.

Note 2 – Liquidity and Availability of Resources

The organization’s assets are sequenced according to their nearness of conversion to cash and liabilities sequenced according to the nearness of their maturity and use of cash. The Organization manages its liquidity by regularly monitoring the availability of resources required to meet its operating needs and other commitments and by operating within a prudent range of financial soundness and stability to provide reasonable assurance that commitments will continue to be met. The organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses).

The following represents the organization's financial assets at December 31, 2019 and 2018 and their availability to meet general expenditures over the next three months:

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 3,953	\$ 2,873
Total financial assets	3,953	2,873

Note 3 – Concentration of Credit Risk

At September 30, 2019, the Organization had bank balances totaling \$3,953 on deposit in a financial institution located in Louisiana. The bank is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2019, the Organization had no uninsured cash balances.

The primary funding sources the Organization are Community Services Block Grant funds passed-through the Louisiana Workforce Commission. If the amount of grants received fall below the expected contract levels, the Organization’s operating results could be adversely affected. During the year ended September 30, 2019, the Organization received 100% of its revenues from the Community Services Block Grant.

Note 4 – Operating Leases

The Organization presently leases office space under an operating lease agreement. The lease agreement commenced on December 16, 2019 and expires December 16, 2020. The lease requires monthly rental payments of \$750 payable on the 1st of each month. Rental expense for the year ended September 30, 2019 totaled \$4,095.

Minimum future lease payments under the operating lease agreement as of September 30, 2019 for the remaining year of the lease agreement are as follows:

Year Ending September 30, 2020	\$9,000
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POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
Notes to the Financial Statements
For the Year Ended September 30, 2019

Note 5 – Contingencies

The Organization is the recipient of grant funds from various federal and state agencies. The grants are governed by various guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by the grants are under the control and administration of the Organization and are subject to audit and/or review by the applicable funding sources. Any grant funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

Note 6 – Board of Directors' Compensation

The members of the Board of Directors serve in a voluntary capacity; therefore, no compensation, per diem, or travel allowances were paid to any board member during the year ended September 30, 2019.

Note 7 – Going Concern

As shown in the accompanying financial statements, the Organization has net assets of (\$13,021) with only a change in net assets of \$2,982 for the year ended September 30, 2019. In addition, the Organization has not paid its payroll taxes in recent years and additional penalties and interest are being assessed upon the organization.

In view of these matters, the ability of the Organization to continue as a going concern is dependent upon continued growth of unrestricted revenues and/or fundraising activities. Management believes that fundraising activities can sustain the Organization and ensure that all delinquent taxes are paid in full and that future tax liabilities are paid in a timely manner. Also, in light of the consistent and continued state funding of the organization for over 40 years, additional cost cutting measures may have to be implemented to further ensure its operating needs are met.

Note 8 – Subsequent Events

Management has evaluated subsequent events through June 15, 2020, the date which the financial statements were available to be issued. In January 2020, the World Health Organization (WHO) declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Therefore, the estimated effect of the subsequent event on the Organization’s financial statements cannot be determined.

**SUPPLEMENTARY INFORMATION
SCHEDULE**

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer
For the Year Ended September 30, 2019

Agency Head Name: Ms. Willie Mae Butler, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 21,590
Benefits - Social Security	1,338
Benefits - Medicare	313
	<u>\$ 23,241</u>