

**TWELFTH WARD SAVE OUR COMMUNITY
ORGANIZATION, INC.**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

FOR THE YEAR ENDED JUNE 30, 2019

(UNAUDITED COMPILATION)

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
STATEMENT OF FINANCIAL POSITION -- JUNE 30, 2019	2
STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019	3
STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2019	4
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019	5
NOTES TO THE FINANCIAL STATEMENTS	6
SUPPLEMENTARY INFORMATION: Schedule of Compensation, Benefits and Other Payments to the Agency Head – June 30, 2019	13



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of the **Twelfth Ward Save Our Community Organization, Inc. (the Organization)**, which comprise the statement of financial position as of June 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. We 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. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The Schedule of Compensation, Benefits and Other Payments to the Agency Head 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 our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 16, 2019

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Current assets:	
Cash	\$1,159
Grant receivable	<u>4,151</u>
Total current assets	<u>5,310</u>
Total assets	<u>\$5,310.</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$2,000
Funds held for seniors	<u>1,700</u>
Total current liabilities	<u>3,700</u>
Net assets:	
Without donor restrictions	<u>1,610</u>
Total liabilities and net assets	<u>\$5,310</u>

See Independent Accountants' Compilation Report.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Revenue and Support:	
Grants (NOTE 11)	<u>\$95,007</u>
Total revenue and support	<u>95,007</u>
Expenses:	
Program services:	
Milan - Broadmoor Senior Center	80,455
Supporting services:	
Management and general	<u>12,392</u>
Total expenses	<u>92,847</u>
Change in net assets	2,160
Net assets (deficits) without donor restrictions, beginning of year	<u>(550)</u>
Net assets without donor restrictions, end of year	<u>\$ 1,610</u>

See Independent Accountants' Compilation Report.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Total Expenses</u>
Contract labor	\$57,199	\$ -0-	\$57,199
Operating services	22,876	-0-	22,876
Professional fees	-0-	11,532	11,532
Supplies	244	860	1,104
Equipment	<u>136</u>	<u>-0-</u>	<u>136</u>
Total expenses	<u>\$80,455</u>	<u>\$12,392</u>	<u>\$92,847</u>

See Independent Accountants' Compilation Report.

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities:	
Change in net assets	\$ 2,160
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Increase in grant receivable	<u>(2,867)</u>
 Net cash used in operating activities	 <u>(707)</u>
 Net decrease in cash	 (707)
 Cash, beginning of year	 <u>1,866</u>
 Cash, end of year	 <u>\$ 1,159</u>

See Independent Accountants' Compilation Report.

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, 2019, **the Organization** administered the following program:

Milan-Broadmoor Senior Center Program

The Milan-Broadmoor Senior Center Program was established in 1977 in New Orleans, LA. The program was created to facilitate and actively administer to its many elderly their need of supportive services and activities, which will enhance their dignity, foster their independence and encourage community involvement. The program provides transportation for seniors to and from the center to receive a well-balanced mid-day meal. Other activities are planned for socialization, health related, recreational and educational activities.

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.

See Independent Accountants' Compilation Report.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents

Cash and cash equivalents include bank deposits, certificates of deposit and other financial instruments purchased with a maturity of three months or less. At June 30, 2019, **the Organization** had no cash equivalents.

Use 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 date 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.

The Organization files as a tax-exempt organization. Should that status be challenged in the future, **the Organization's** 2016, 2017 and 2018 tax years are open for examination by the IRS.

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 net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

See Independent Accountants' Compilation Report.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

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 to **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

As of July 1, 2018, **the Organization** has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which amends the previous standard for external financial reporting by not-for-profit organizations.

See Independent Accountants' Compilation Report.

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

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Financial Statement Presentation, Continued

Under ASU 2016-14, **the Organization** classifies resources for financial accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. A description of the two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. Grants and contributions without donor restrictions, other income and expenses incurred in conducting the mission of **the Organization** are included in this category.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

At June 30, 2019, there were no net assets with donor restrictions.

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.

Government Grants

Revenues received under government grant programs are recognized when allowable expenditures are made by **the Organization**. Funds received for specific purposes, but not yet expended, are recorded as deferred revenue.

See Independent Accountants' Compilation Report.

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

NOTE 3 - Property and Equipment:

Property and equipment consisted of the following at June 30, 2019:

Furniture	\$ 5,546
Computer equipment	<u>28,685</u>
	34,231
Less accumulated depreciation	<u>(34,231)</u>
Total	\$ <u>-0-</u>

NOTE 4 - Operating Lease:

The Organization conducts its operations from a facility that is leased from the City of New Orleans under a month to month operating lease.

For fiscal year 2019, lease expense amounted to \$7,812.

NOTE 5 - Commitments:

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.

See Independent Accountants' Compilation Report.

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

NOTE 6 - Contingencies:

The Organization is a recipient of grants from governmental sources, which represents 100% of its operating revenue. These grants are governed by applicable Federal, State and Local guidelines, regulations, and contractual agreements.

The administration of the program and activities funded by these grants is under the control of **the Organization** and is subject to audit and/or review by the 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.

NOTE 7 - 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 Organization** 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 a noninterest bearing account at a financial institution. This account is fully insured by the Federal Deposit Insurance Corporation at June 30, 2019.

NOTE 9 - Directors' Compensation:

During the year 2019, none of the directors were compensated for services as a member of **the Organization's** board of directors.

See Independent Accountants' Compilation Report.

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

NOTE 10 - Liquidity and Availability of Financial Assets:

The current financial assets totaled \$5,310 are available for general expenditures, that is, without donor or other restrictions limiting their use.

NOTE 11 - Grant Revenue:

Grant revenue consists of the following sources at June 30, 2019:

State of Louisiana - Governor's Office of Elderly Affairs	\$74,562
City of New Orleans - City Council	5,000
U. S. Department of Housing and Urban Development - Community Development Block Grant	11,945
Superdome	<u>3,500</u>
	<u>\$95,007</u>

NOTE 12 - Subsequent Events:

The Organization is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **The Organization** performed such an evaluation through December 16, 2019, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date requiring recognition or disclosure.

See Independent Accountants' Compilation Report.

SUPPLEMENTARY INFORMATION

TWELFTH WARD SAVE OUR COMMUNITY ORGANIZATION, INC.
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2019

Board President: Ms. Pamela Somerville

<u>Purpose</u>	<u>Amount</u>
Salary	\$-0-
Benefits-insurance	-0-
Benefits-other	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursement fees	-0-
Conference travel	-0-
Continuing professional fees	-0-
Housing	-0-
Unvouchered expense	-0-
Special meals	-0-

NOTE: For the fiscal year ended June 30, 2019, **the Organization** had no employees.

NOTE: For the fiscal year ended June 30, 2019, none of the Board of Members were paid compensation, benefits or reimbursed for any business type expenses.

See Independent Accountants' Compilation Report on Supplementary Information.