

Capitol Area Reentry Program, Inc.

Baton Rouge, Louisiana

Year Ended December 31, 2022

*Compiled Financial Statements
and Supplementary Information*

William D. Mercer, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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William D. Mercer, APAC
CERTIFIED PUBLIC ACCOUNTANT

MEMBER OF:
AMERICAN INSTITUTE
AND SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Capitol Area Reentry Program, Inc.
Baton Rouge, Louisiana

Management is responsible for the accompanying financial statements of Capitol Area Reentry Program, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, 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.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the organization's financial position, activities, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The schedule of compensation, benefits, and other payments to agency head on page 11 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.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in the Selected Information, the organization experienced significant losses from its activities and significant decreases in cash. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in the Selected Information.

William D. Mercer CPA (APAC)

Baton Rouge, Louisiana
June 29, 2023

CAPITOL AREA REENTRY PROGRAM, INC.
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31, 2022

ASSETS

CURRENT:

Cash and cash equivalents	\$ 5,218
Accounts receivable	<u>18,941</u>
Total Current Assets	<u>24,159</u>

PROPERTY AND EQUIPMENT:

Equipment and furniture	3,660
Vehicles	<u>13,210</u>
	16,870
Less accumulated depreciation	<u>3,750</u>
Net Property and Equipment	<u>13,120</u>

LONG-TERM:

Deposits	<u>1,000</u>
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TOTAL ASSETS \$ 38,279

LIABILITIES

CURRENT:

Accounts payable	\$ 5,059
Line of credit	<u>7,513</u>
TOTAL LIABILITIES (all current)	<u>12,572</u>

NET ASSETS

Without donor restrictions	<u>25,707</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 38,279

See accountant's compilation report.

CAPITOL AREA REENTRY PROGRAM, INC.
Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>
REVENUES:	
Program service revenues	\$ 525,775
Grant revenues	<u>250</u>
Total Revenues	<u>526,025</u>
EXPENSES:	
Program services	468,287
Supporting services:	
Fundraising	-
Management services	<u>154,887</u>
Total Expenses	<u>623,174</u>
Change in net assets	(97,149)
NET ASSETS, beginning of year	<u>122,856</u>
NET ASSETS, end of year	\$ <u><u>25,707</u></u>

See accountant's compilation report.

CAPITOL AREA REENTRY PROGRAM, INC.
Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$(97,149)
Adjustments to reconcile change in net assets to	
Net cash provided by operating activities:	
Depreciation	2,725
(Increase) decrease in:	
Accounts receivable	(8,641)
Increase (decrease) in:	
Accounts payable	3,648
Accrued interest payable	(111)
Net cash provided by operating activities	<u>99,528</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash payments for purchase of property	<u>13,210</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net borrowings on line of credit	<u>2,301</u>
NET DECREASE IN CASH	(115,039)
CASH AND CASH EQUIVALENTS, beginning of year	<u>120,257</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>5,218</u></u>

See accountant's compilation report.

CAPITOL AREA REENTRY PROGRAM, INC.
Baton Rouge, Louisiana

SELECTED INFORMATION – Substantially All Disclosures Required by Accounting
Principles Generally Accepted in the United States Are Not Included

GOING CONCERN / SUBSEQUENT EVENTS

For the year ended December 31, 2022, the Organization experienced a significant negative change in its net assets and cash balances. Such negative results were due primarily to the completion of certain grants during the year, causing cash outflows to exceed cash inflows temporarily. The Organization has renewed those grants subsequent to year-end and began receiving funds under those grants in March 2023. Management does not anticipate its operations will generate losses or negative cash flows during the rest of 2023. Management is working with its financial institution to obtain additional borrowing under lines of credit to help mitigate the situation in the event it recurs.

CAPITOL AREA REENTRY PROGRAM, INC.
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS

Year Ended December 31, 2022

There were no findings noted for the year ended December 31, 2022.

CAPITOL AREA REENTRY PROGRAM, INC.
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2022

Findings for the year ended December 31, 2021, as noted in the accountant's report dated October 16, 2022, were as follows.

Finding No. 2021-001 – Report Submission

The organization did not submit compiled financial statements to the Louisiana Legislative Auditor within the period prescribed by applicable regulations. The organization's outside accountant experienced delays in completing its required peer review, which delayed the acceptance of the engagement with the Legislative Auditor's office. On behalf of the organization, the accountant requested an extension of time to complete the engagement, which was originally approved, but subsequently denied after the submission deadline had passed. The submission of the prior year financial statements should satisfy the reporting requirements for the prior year. The delay in submitting the required financial statements was considered beyond the control of management. No future issues were anticipated related to this matter, and no further recommendations were considered necessary. No similar finding was noted in the current period (see Schedule of Findings).

SUPPLEMENTARY INFORMATION

CAPITOL AREA REENTRY PROGRAM, INC.
Baton Rouge, Louisiana

STATEMENT OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
Year Ended December 31, 2022

Agency Head: Gjvar Payne, Executive Director

Purpose:	Amount:
Salary	\$ 65,000
Benefits – insurance	None
Benefits – retirement	None
Benefits – other	\$ 4,973
Car allowance	None
Vehicle provided by government	None
Per diem	None
Reimbursements	None
Travel	None
Registration fees	None
Conference travel	None
Continuing professional education fees	None
Housing	None
Unvouchered expenses	None
Special needs	None

See accountant's compilation report.