

SAMUEL W. STEVENS, III
Certified Public Accountant

STRATEGIC ACTION COUNCIL OF NORTHWEST LOUISIANA, INC.
SHREVEPORT, LOUISIANA

**Reviewed Financial Statements
and Attestation Report**

December 31, 2015

**STRATEGIC ACTION COUNCIL OF NORTHWEST LOUISIANA, INC.
SHREVEPORT, LOUISIANA**

For the Year ended December 31, 2015

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SAMUEL W. STEVENS, III CPA

P.O. Box 52631 · Shreveport, LA 71135 · (318) 458-0930 · Fax (866) 531-9558

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
STRATEGIC ACTION COUNCIL OF NORTHWEST LOUISIANA, INC.
Shreveport, Louisiana

I have reviewed the accompanying statement of financial position of Strategic Action Council of Northwest Louisiana, Inc. (a non-profit corporation) as of December 31, 2015, and the related statements of activities, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Strategic Action Council of Northwest Louisiana, Inc.'s 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, I do not express such an opinion.

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 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, with the exception of the matter described in the following paragraph 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 accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated August 19, 2016 on the results of my agreed-upon procedures.



August 19, 2016

STRATEGIC ACTION COUNCIL OF NW LOUISIANA, INC.

Statement of Financial Position

December 31, 2015

<i>Assets</i>	
<i>Current Assets:</i>	
Cash	\$ 195,681
Grants Receivable	100,000
Total Current Assets	<u>295,681</u>
<i>Property:</i>	
Furniture & Fixtures	2,946
Computer and Office Equipment	14,824
Total Cost	<u>17,770</u>
Less: Accumulated Depreciation	<u>(16,254)</u>
Net Book Value	1,516
<i>Other Assets:</i>	
Deposits	879
Heron Foundation Fund	62,763
Total Other Assets	<u>63,642</u>
Total Assets	<u>\$ 360,839</u>
<i>Liabilities and Net Asset</i>	
<i>Current Liabilities:</i>	
Payroll Liabilities	\$ 1,477
Deferred Revenue	3,000
Total Current Liabilities	<u>4,477</u>
<i>Other Liabilities:</i>	
Heron Escrow	57,455
Total Other Liabilities	<u>57,455</u>
Total Liabilities	61,932
<i>Net Asset</i>	
<i>Net Asset:</i>	
Unrestricted	298,907
Total Net Asset	<u>298,907</u>
Total Liabilities and Net Asset	<u>\$ 360,839</u>

See Independent Accountant's Review Report and accompanying notes to the financial statements

STRATEGIC ACTION COUNCIL OF NW LOUISIANA, INC.

Statement of Activities For the Year Ended December 31, 2015

Support:

Grants		
City of Shreveport	\$	130,601
Caddo Parish		75,000
Beaird Foundation		50,000
Membership Dues		29,432
Management and Partner Fees		47,355
Contributions		19,905
Interest Income		123
Total Support		<u>352,416</u>

Expenses:

Accounting Services		6,295
Advertising/Marketing		1,867
Attorney/Legal		5,000
Bank Service Charges		1,304
Communications		6,872
Contingency		10,000
Contract Labor		3,850
Dues and Memberships		1,768
Equipment Expense		2,592
Insurance Expense		3,338
Meals and Refreshments		9,378
Office Rent/Parking Expense		18,568
Office Supplies		7,098
Postage and Delivery		541
Printing		2,395
Program Expenses		38,308
Salaries and Benefits		224,109
Subscriptions		626
Travel Expense		13,510
Depreciation		1,201
<i>Total Expenses</i>		<u>358,620</u>
<i>Change in Unrestricted Net Asset</i>		<u>(6,204)</u>

Unrestricted Net Asset

Beginning of Year		<u>305,111</u>
End of Period	\$	<u><u>298,907</u></u>

See Independent Accountant's Review Report and accompanying notes to the financial statements

STRATEGIC ACTION COUNCIL OF NW LOUISIANA, INC.

Statement of Cash Flows For the Year Ended December 31, 2015

<i>Cash Flows from Operating Activities</i>	
Change in Net Assets	\$ (6,204)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided from Operations:	
Depreciation	1,201
Increase in Grants Receivable	(100,000)
Decrease in Accounts Payable	(1,185)
Increase in Payroll Liabilities	786
Increase in Deferred Revenue	3,000
Total Adjustments	<u>(96,198)</u>
<i>Net Cash Used in Operations</i>	<u>(102,402)</u>
<i>Cash Flows from Investing Activities</i>	
Purchase of Fixed Assets	(1,378)
Net Decrease in Heron Escrow	(5,308)
<i>Net Cash Used by Investing Activities</i>	<u>(6,686)</u>
<i>Decrease in Cash</i>	<u>(109,088)</u>
<i>Cash, Beginning of Year</i>	<u>304,769</u>
<i>Cash, End of Year</i>	<u>\$ 195,681</u>

See Independent Accountant's Review Report and accompanying notes to the financial statements

STRATEGIC ACTION COUNCIL OF NORTHWEST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

Strategic Action Council of Northwest Louisiana, Inc. (SAC) is a Louisiana not-for-profit organization incorporated under the laws of the State of Louisiana on May 19, 1997 is a broad-based regional, business, and civic organization created to enhance the capacity of the region so that it can compete in today's global, technology-driven economy. SAC is dedicated to improving economic and enterprise development, education, and healthcare throughout the region. The Strategic Action Council coordinates its mission through the following initiatives:

The Community Development Committee (CDC) was created to carry out a broad community development with the Investment Fund at its center. The CDC comprises key community, religious and civic leaders who ensure that the Investment Fund and the initiative reach into and reflect the low to moderate income neighborhoods that are its focus. CDC also has responsibility for making certain that all SAC initiatives positively impact local neighborhoods

Northwest Louisiana Community Development Fund is a \$40 million fund created to invest in real estate in those low and moderate income urban and rural areas of the ten parish region of Northwest Louisiana that have under-appreciated resources, and thus represent the unrealized investment opportunities for the community and the region.

The Minority Suppliers Institute (MSI) focuses on assisting minority-owned small businesses in the four (4) parishes of northwest Louisiana, which are Caddo, Bossier, DeSoto, and Webster. The MSI works with these companies to prepare them for new opportunities in the private sector.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements are presented on the accrual basis of accounting and are prepared in accordance with current recommendations of the American Institute of Certified Public Accountants for Not-for-Profit Organizations. The significant accounting policies are described below:

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958, Financial Statements of Not-for-Profit Organizations. The Organization has elected to present a classified statement of financial position, under ASC 958; 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, and permanently restricted net assets.

Net Assets

Net Assets are included in one of the following three classes, depending on the presence and type of donor-imposed restrictions.

- *Unrestricted Net Assets* - Net Assets not subject to donor-imposed restrictions.
- *Temporarily restricted Net Assets* - Net assets subject to donor-imposed restrictions that may be met either by an action and/or through the passage of time. As of December 31, 2015 Net Assets included no temporarily restricted net assets.

- *Permanently restricted Net Assets* - Net Assets subject to donor-imposed restrictions that will not expire through the passage of time and/or an action. As of December 31, 2015, Net Assets included no permanently restricted net assets.

Income Tax Status

Strategic Action Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code Section and corresponding state code as a charitable organization whereby only unrelated business income, as identified by Section 509(a)(1) of the Code, is subject to income tax. Reach Out and Touch had no unrelated business income in 2015. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Strategic Action Council adheres to the provisions of FASB ASC 740-10-25. Under FASB ASC 740-10-25, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. Reach Out and Touch does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits or any related interest or penalties.

Advertising and Public Relations Costs

Advertising and public relations costs are charged to operations when incurred. Advertising and public relations costs charged to operations for the year ended December 31, 2015 totaled \$1,866.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 changes in net assets during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Restricted contributions and grants whose restrictions are met in the same reporting period as they are made are reported as unrestricted revenues and support.

Cash

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. The Strategic Action Council considers money market funds and short-term investments, with a maturity of less than 90 days from the acquisition date to be cash equivalents. As of December 31, 2015, there are no cash equivalents.

Depreciable Assets

Depreciable assets acquired by the organization are considered to be owned by Strategic Action Council of Northwest Louisiana, Inc. The Organization follows the practice of capitalizing, at cost, all expenditures for property, furniture, fixtures, and office equipment in excess of \$300. Lesser amounts are expensed. Donated fixed assets are valued at fair market value at the date of the gift. Depreciation of all such items is computed on a straight-line method over the estimated useful lives of the assets generally as follows:

Furniture and Fixtures	5-7 years
Computer and Office Equipment	5-7 years

NOTE 2 – CONCENTRATION OF CREDIT RISK

The Strategic Action Council maintains six accounts at three financial institutions. At December 31, 2015, the accounts at the institutions are insured by the Federal Deposit Insurance

Corporation (FDIC) up to \$250,000 per depositor. At December 31, 2015, the total cash balances on deposit at each institution did not in exceed the federally insured limit.

NOTE 3 – PROPERTY

Property and equipment activity as of and for the year ended December 31, 2015 is as follows:

	Balance at 1/1/2015	Additions	Deletions	Balance at 12/31/2015
Property and Equipment:				
Furniture & Fixtures	\$ 2,946	\$ 0	\$ 0	\$ 2,946
Computer and Office Equipment	13,446	1,378	0	14,824
Total Property and Equipment	<u>16,392</u>	<u>1,378</u>	<u>0</u>	<u>17,770</u>
Accumulated Depreciation:				
Furniture & Fixtures	(2,531)	(332)	0	(2,864)
Computer and Office Equipment	(12,522)	(868)	0	(13,390)
Total Accumulated Depreciation	<u>(15,053)</u>	<u>(1,201)</u>	<u>0</u>	<u>(16,254)</u>
Net Property and Equipment:				
Furniture & Fixtures	415	(332)	0	82
Computer and Office Equipment	924	510	0	1,434
Total Net Property and Equipment	<u>\$ 1,339</u>	<u>\$ 177</u>	<u>\$ 0</u>	<u>\$ 1,516</u>

NOTE 4. HERON FOUNDATION FUND

During April 2008, The Strategic Action Council entered an ESCROW AGREEMENT with The F.B. Heron Foundation. During April 2008, The Foundation provided \$500,000 to SAC to hold in escrow pursuant to the agreement. The agreement provides SAC the authority to invest the funds at its discretion and to disburse as contributions for certain capital projects. Any and all interest earned on the Escrowed Funds will be retained by SAC and will be deemed a grant. During the year ended December 31, 2015, interest earned on the funds amounted to less than \$100.

NOTE 6 – COMMITMENTS

Under agreement, The Strategic Action Council leased its administrative office and parking for \$1,524 per month. The lease continues to October 31, 2016 with an option to renew. Lease expense for the year ended December 31, 2015 was \$18,568. Remaining future minimum rental payments of \$15,240 required under the lease agreement will be paid during and for the year ending December 31, 2016.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through August 19, 2016, which is the date the financial statements were available to be issued. There were no events requiring disclosure.

SAMUEL W. STEVENS, III CPA

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
STRATEGIC ACTION COUNCIL OF NORTHWEST LOUISIANA, INC.
Shreveport, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Strategic Action Council of Northwest Louisiana, Inc. (SAC), the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about SAC's compliance with certain laws and regulations during the year ended December 31, 2015, included in the accompanying *Louisiana Attestation Questionnaire*. Management of SAC is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation 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 this 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.

The Strategic Action Council's total federal, state and local award expenditures for the fiscal year are as follows:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
City of Shreveport - Cooperative Endeavor Agreement	2014	N/A	\$30,601
City of Shreveport - Cooperative Endeavor Agreement	2015	N/A	100,000
Caddo Parish - Cooperative Endeavor Agreement	2015	N/A	<u>75,000</u>
Total Expenditures			<u>\$205,601</u>

2. For each Federal, state, and local award, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements were selected.

3. For the items selected in procedure 2, I traced the six disbursements to supporting documentation as to proper amount and payee
4. I examined the supporting documentation for each of the six disbursements and found that the payment was for the proper amount and made to the correct payee. No exceptions were noted
5. For the items selected in procedure 2, I determined that the six disbursements selected were properly coded to the correct fund and general ledger account.

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

6. For the items selected in procedure 2, I determined that the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approval.

7. For the items selected in procedure 2, for federal state and local awards. I determined the disbursements complied with the grant agreement relating to:

Activities allowed or not allowed:

I reviewed the sample of eighteen disbursements for types of services allowed or not allowed. Services related to each of the disbursements appeared to be allowable.

Eligibility:

I reviewed the sample of eighteen disbursements for types of services allowed or not allowed. Disbursements were made within the terms of the grant.

Reporting:

I reviewed the sample of eighteen disbursements for types of services allowed or not allowed. Disbursements were properly reported in accordance with the terms of the grant.

8. For the programs selected for testing in item 2, that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no required close-out reports for the programs and period under review.

Meetings

9. Examine evidence indicating that agendas for meeting recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Management asserts the following:

As defined in LSA-RS 42:1 through 42:13, The Strategic Action Council, as a not-for-profit organization is not a Public Body. Therefore, it is not subject to the open meetings law.

Comprehensive Budget

10. For all grants exceeding five thousand dollars, I determined that each applicable federal, state or local grantor agency/agencies was provided with a comprehensive budget to those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Based on the Cooperative Endeavor Agreements, no budgets were required. I noted, the agreements provided specific purpose and use of the funds

Prior Comments and Recommendations

11. There were no prior suggestions, recommendations, and/or comments related to the attest procedures. Findings unrelated to the attest procedures are addressed in the Schedule of Findings and Management Responses.

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 Strategic Action Council of Northwest Louisiana, Inc., 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



August 19, 2016

STRATEGIC ACTION COUNCIL OF NORTHWEST LOUISIANA, INC.

Schedule of Findings and Management Responses
For the year ended December 31, 2015

SUMMARY OF ACCOUNTANT'S REPORT

INDEPENDENT ACCOUNTANT'S REVIEW REPORT:

I have reviewed the statement of financial position of Strategic Action Council of Northwest Louisiana, Inc. as of December 31, 2015, and the related statements of activities, and cash flows for the year then ended. I conducted the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements.

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 accounting principles generally accepted in the United States of America.

APPLICATION OF AGREED UPON PROCEDURES REPORT

REPORTING

Finding: 2015-1

Criteria or Specific Requirement: Under Louisiana Stature 24:513, Strategic Action Council of Northwest Louisiana, Inc. is required to submit a review of its annual financial statements and attestation on applying agreed-upon procedures to the Louisiana Legislative Auditor within six months of its year-end which is December 31, 2015.

Type of Finding: Noncompliance.

Condition: The review/attestation was not submitted by June 30, 2016.

Effect: Noncompliance with state law regarding financial reporting.

Cause: CPA related matters beyond the control of SAC.

Recommendation: Strategic Action Council of Northwest Louisiana, Inc. should continue to determine the type of engagement required no later than January 31st and engage a CPA, if necessary, in accordance with the La Audit Law.

Views of Responsible Officials and Planned Corrective Actions:

A) Name of Contact Responsible – Jeffery Thomas, Executive Director

B) Corrective Action Planned – Strategic Action Council will continue to engage a CPA timely and provide the required documentation to ensure compliance with the Louisiana audit law.

STRATEGIC ACTION COUNCIL OF NORTHWEST LOUISIANA, INC.

Summary Schedule of Prior Year Findings
December 31, 2015

Finding: 2014-1

Condition: The review/attestation was not submitted by June 30, 2015.

Current Status: Unresolved. See current year Finding 2015-2

STRATEGIC ACTION COUNCIL OF NW LOUISIANA, INC.

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2015

Agency Head Name	Purpose	Amount
Jeffrey Thomas	Salary	\$ 79,167
Jeffrey Thomas	Payroll Tax Expense	6,056
Jeffrey Thomas	Health Insurance	4,976
Jeffrey Thomas	Relocation Expenses	7,500
Jeffrey Thomas	Other Reimbursements	<u>4,923</u>
		102,622
Zazell Dudley	Salary	<u>19,000</u>
		\$ <u><u>121,622</u></u>

Strategic Action Council Of Northwest Louisiana, Inc.
631 Milam Street, Suite 105
Shreveport, Louisiana 71101

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

July 20, 2016)

SAMUEL W. STEVENS, III CPA
P O Box 52631
Shreveport, LA 71135

In connection with your review of our financial statements as of Strategic Action Council & Minority Supplier Institute and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 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 July 20,, 2016.

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 [] 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 at <http://app1.la.state.la.us/lla.nsf>, 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 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 [x] No []

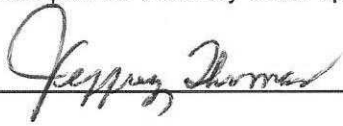
Prior-Year Comments

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 that may occur up to the date of your report.

	<i>Executive Director</i> Secretary	<i>27 July 2016</i>	Date
	Treasurer		Date
	President		Date