

**United Citizens and Neighborhoods, Inc
Accountant's Review Report
With Financial Statements and
Notes to the Financial Statements**

For The Year Ended December 31, 2014

Talmadge E. Mitchel, CPA, A Professional Corporation

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
United Citizens and Neighborhoods, Inc.
Shreveport, Louisiana

I have reviewed the accompanying statement of financial position of United Citizens and Neighborhoods, Inc. (a nonprofit organization) as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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, 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.

I, with the Louisiana Governmental Audit Guide and the provisions of state law, have issued a report dated July 21, 2015, on the results of my agreed upon procedures.



Talmadge E. Mitchel, CPA, A Professional Corporation
Shreveport, LA
July 21, 2015

United Citizens and Neighborhoods, Inc.

Statement of Financial Position

As of December 31, 2014

ASSETS	
Current Assets	
Checking/Savings	\$ <u>10,360</u>
Total Current Assets	<u>10,360</u>
TOTAL ASSETS	\$ <u><u>10,360</u></u>
LIABILITIES & NET ASSETS	
Net Assets	
Unrestricted Net Assets	\$ <u>10,360</u>
Total Net Assets	<u>10,360</u>
TOTAL LIABILITIES & NET ASSETS	\$ <u><u>10,360</u></u>

See Independent Accountant's Review Report and Notes to Financial Statements

United Citizens and Neighborhoods, Inc.

Statement of Activities

For the Year Ended

December 31, 2014

Increase in Net Assets		
Grants, Contributions, and Support		
Caddo Parish NGO	\$	10,000
City of Shreveport Appropriation		15,000
Summer Food Service		257,924
Charitable Contributions		<u>4,839</u>
Total Increase in Net Assets		<u>287,763</u>
Decrease in Net Assets		
Expenses		
Caddo Parish NGO		15,311
City of Shreveport Appropriation		8,468
Summer Food Service Program		257,297
Charitable Contributions		<u>8,003</u>
Total Decrease in Net Assets		<u>289,079</u>
Net Decrease in Unrestricted Net Assets		(1,316)
Unrestricted Net Assets, January 1, 2014		<u>11,676</u>
Unrestricted Net Assets, December 31, 2014	\$	<u><u>10,360</u></u>

See Independent Accountant's Review Report and Notes to Financial Statements

United Citizens and Neighborhoods, Inc.

Statement of Functional Expenses

For the Year Ended
December 31, 2014

Expense	<u>City of Shreveport Appropriation</u>	<u>Fund Raising</u>	<u>Caddo Parish NGO</u>	<u>Summer Food Service</u>	<u>TOTAL</u>
Advertising	\$ -	\$ 1,097	\$ 6,780	\$ -	\$ 7,877
Bank Charges	-	150	-	-	150
Gifts and Contributions	1,950	810	1,364	-	4,124
Dues and Subscriptions	-	155	-	-	155
Equipment	-	1,285	-	-	1,285
Food/Catering Cost/Summer Feeding	-	229	-	229,270	229,499
Meals and Entertainment	-	107	-	9	116
Office Expense	-	141	-	-	141
Postage, Mailing Service	-	299	3	147	449
Rent or Lease Expense	900	452	4,900	7,000	13,252
Repair and Maintenance	234	-	-	-	234
Salaries/Summer Feeding Workers	-	25	-	19,655	19,680
Printing and Copying	-	386	-	-	386
Supplies	1,780	862	764	1,166	4,572
Travel	-	2,005	-	-	2,005
Travel Meals	204	-	-	-	204
Contract Services	500	-	1,500	-	2,000
Accounting Fees	2,900	-	-	-	2,900
Miscellaneous Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>
Total Expense	\$ <u>8,468</u>	\$ <u>8,003</u>	\$ <u>15,311</u>	\$ <u>257,297</u>	\$ <u>289,079</u>

See Independent Accountant's Review Report and Notes to Financial Statements

United Citizens and Neighborhoods, Inc.

Statement of Cash Flows

For the Year Ended
December 31, 2014

OPERATING ACTIVITIES

Decrease in net assets	\$ <u>(1,316)</u>
Net cash used by Operating Activities	<u>(1,316)</u>
Net cash decrease for period	(1,316)
Cash at beginning of period	<u>11,676</u>
Cash at end of period	\$ <u><u>10,360</u></u>

See Independent Accountant's Review Report and Notes to Financial Statements

United Citizens and Neighborhoods, Inc.

Notes to Financial Statements

December 31, 2014

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Citizens and Neighborhoods, Inc. is a nonprofit corporation organized under the laws of the State of Louisiana. The Organization provides healthy meals to children through the Summer Food Service Program which is administered by the State of Louisiana on behalf of the United States Department of Agriculture. The Organization serves children in Shreveport, Louisiana.

Basis of Accounting

The financial statements of United Citizens and Neighborhoods, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles general accepted in the United States of America.

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.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents, as stated for cash flow purposes, consist of non-interest bearing bank accounts and highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

United Citizens and Neighborhoods, Inc.

Net Assets

Net assets are included in one of the following three classes of net assets, 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, 2014, 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, 2014, Net Assets included no permanently restricted net assets.

Economic Dependency

Approximately 89.6% of the Agency's funding is USDA Summer Food Service funds passed-through the State of Louisiana's Department of Education.

Functional Allocation of 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 Agency's various functions.

Income Tax Status

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509 (a)(1) of the Code is subject to federal income tax. The Agency currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

The Organization has adopted 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. The implementation of this standard has no impact on the Organization's financial statements. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. No interest or penalties were accrued as of December 31, 2014, as a result of the adoption of FASB ASC 740-10-25. For the years ended December 31, 2013 and December 31, 2012 there were no interest or penalties recorded or included in its financial statements. The Organization is no longer subject to income tax examination by U.S. federal, state, or local tax authorities for tax years prior to 2011.

NOTE 2. SUMMARY OF FUNDING

United Citizens and Neighborhoods, Inc. administered for 2014:

	<u>Amount</u>
Louisiana Department of Education USDA Summer Food Service Program For Children	\$ 257,924
City of Shreveport Appropriations	\$ 15,000
Caddo Parish NGO	\$ 10,000
Private contributions	\$ 4,839

NOTE 3. RELATED PARTY TRANSACTIONS

There were no significant related party transactions for the year ended December 31, 2014.

NOTE 4. COMMITMENTS

The program administered by the United Citizens and Neighborhoods, Inc. does not have any significant outstanding commitments as of December 31, 2014.

NOTE 5. CONTINGENCIES

As of December 31, 2014, there were no matters relating to questioned costs nor refunds of grant proceeds.

NOTE 6. SUBSEQUENT EVENTS

Events subsequent to December 31, 2014, through the date of this attestation report have been evaluated by management. We were informed that management has decided not to enter into a contract for the year ending December 31, 2015, with the State of Louisiana to administer the Summer Food Service Program. Management feels that this decision will not affect the Organization's continuing operations.

Louisiana Attestation Questionnaire

**United Citizens and Neighborhoods, Inc.
1511 Oakdale St
Shreveport, LA 71108**

May 25, 2015

Talmadge E. Mitchel, CPA, A Professional Corporation
1240 Milam St
Shreveport, LA 71101

In connection with your review of our financial statements as of December 31, 2014 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 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 May 25, 2015.

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. 42:1 through 42:13 (the open meetings law).

Yes No

Budget

For each federal, state, and local grant I 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

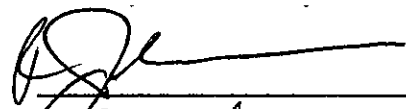
Prior Year Comments

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


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. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

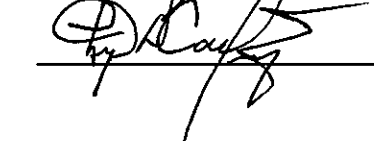
We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose 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 5/23/2015 Date



Treasurer 5/25/15 Date



President 5/25/2015 Date

Independent Accountant's Report
On Applying Agreed-Upon Procedures

United Citizens and Neighborhoods, Inc.
Shreveport, Louisiana 71108

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of United Citizens and Neighborhoods, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor Organization/agencies solely to assist the users in evaluating management's assertions about United Citizens and Neighborhoods, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2014 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with 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 the 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.

United Citizens and Neighborhoods, Inc.'s Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
USDA Summer Food Service Program for Children, <i>pass through</i> , State of Louisiana	2014	10.559	<u>\$257,297</u>
Total Expenditures			<u>\$257,297</u>

Local Awards	Year	Amount Expended
City of Shreveport Appropriation	2014	8,468
Caddo Parish NGO	2014	15,311

- 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 would be selected.
- For the items selected in procedure 2, I traced a total of eighteen disbursements (six from each award) to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the eighteen selected disbursements and found that payment was for the proper amount and made to the correct payee.

- For the items selected in procedure 2, I determined if the eighteen disbursements were properly coded to the correct fund and general ledger account.

Each of the eighteen payments was properly coded to the correct general ledger account.

- For the items listed selected in procedure 2, I determined whether the eighteen disbursements received approval from proper authorities.

All items selected in procedure 2 showed evidence of proper approval.

- For the items selected in procedure 2: For federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the compliance supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed are unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed and determined that each payment did comply with allowability requirements.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements and determined that each payment did comply with eligibility requirements.

Reporting

I reviewed the previously listed disbursements for reporting requirements and determined that each payment did comply with reporting requirements. For the program selected for testing in item (2), there is no required close-out report.

Meetings

7. I examined evidence indicating that agendas for meetings 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).

United Citizens and Neighborhoods, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of their office building.

Management has provided evidence that minutes were properly maintained and scheduled meetings were properly posted.

Comprehensive Budget

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

United Citizens and Neighborhoods, Inc. provided a comprehensive budget to the applicable state grantor agencies for the program mentioned previously. This budget specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

9. Review of prior year suggestions, recommendations, and/or comments to determine to the extent to which such matters have been resolved.

In the agreed upon procedures engagement for the year ended December 31, 2013, the prior auditor reported the following:

Finding 13-01

Bank reconciliations were not performed in a timely manner.

Management has not taken steps to have the cash accounts reconciled in a timely manner.

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 our attention that would have been reported to you.

This report is intended solely for the use of management of United Citizens and Neighborhoods, 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 procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor.

A handwritten signature in black ink, appearing to read 'T. Mitchel', with a long horizontal flourish extending to the right.

Talmadge E. Mitchel, CPA, A Professional Corporation
Shreveport, Louisiana

July 21, 2015

Schedule of Current Year Findings and Questioned Costs

The federal award program is 10.599 United States Department of Agriculture, Summer Food Service Program for Children administered by the Louisiana Department of Education with passed through funding.

2014-01

Current Year Findings: Book balances and bank balances are not reconciled on current basis.

Questioned Costs: None

Recommendation: I recommend that management reconciles book balances with bank balances on a current basis.

Management's views and responses

Contact Person: President

Corrective Action Planned: Bank statements will be reconciled timely.

Anticipated completion date: Immediately

2014-02

Current Year Finding: The report was not submitted timely as prescribed by R.S. 24:513.

Management's views and responses

Contact Person: President

Corrective Action Planned: Future reports will be submitted within six months after the end of the Organization's fiscal year.

Anticipated completion date: June 30 of scheduled year.

United Citizens and Neighborhoods, Inc.
Schedule of Compensation, Benefits and Other Payments
To Agency Head or Chief Executive Officer
For the year Ended December 31, 2014

Agency Head Name: Lynn Cawthorne, President

Purpose	Amount
Salary	\$ 0
Health Insurance	0
Auto Insurance	0
Travel	<u>0</u>
Total	<u>\$ 0</u>