

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT
Year Ended September 30, 2016

Melvin L. Davis
Certified Public Accountant

(A Limited Liability Company)

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Financial Statements and
Independent Accountant's Compilation Report
For the Year Ended September 30, 2016

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To the Management
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, 2016, 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. Accordingly, I do not express an opinion, a conclusion, nor provide any form of 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.

Melvin L. Davis, CPA, LLC

Baton Rouge, Louisiana
February 13, 2017

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Statement of Financial Position
September 30, 2016

ASSETS**Current Assets**

Cash in bank	\$ 2,320
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TOTAL ASSETS

	\$ 2,320
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LIABILITIES**Current Liabilities**

Accrued payroll withholdings payable	\$ 17,168
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Accrued liabilities	143
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Total Current Liabilities	<u>17,311</u>
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NET ASSETS

Unrestricted net assets	<u>(14,991)</u>
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Total Net Assets	<u>(14,991)</u>
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TOTAL LIABILITIES AND NET ASSETS

	<u>\$ 2,320</u>
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See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Statement of Activities
Year Ended September 30, 2016

REVENUES	
State Grant - Louisiana Workforce Commission	\$ 76,119
	<u>76,119</u>
TOTAL REVENUE	
	<u>76,119</u>
EXPENSES	
Program Services - Community Services Block Grant	54,544
Management and general	23,370
	<u>77,914</u>
TOTAL EXPENSES	
	<u>77,914</u>
CHANGE IN NET ASSETS	(1,795)
NET ASSETS AT BEGINNING OF YEAR, as restated	<u>(13,196)</u>
NET ASSETS AT END OF YEAR	<u><u>\$ (14,991)</u></u>

See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Statement of Functional Expenses
Year Ended September 30, 2016

<u>Expenses</u>	<u>Program Services</u> <u>Community Services Block Grant</u>	<u>Support Services</u> <u>Management and General</u>	<u>Total</u>
Salaries and Related Benefits:			
Salaries	\$ 33,858	\$ 20,760	\$ 54,618
Health and pension benefits	2,550	1,588	4,138
Total Salaries and Benefits	36,408	22,348	58,756
Bank fees	-	122	122
Emergency assistance	-	400	400
Liability insurance	750	-	750
Occupancy	6,730	-	6,730
Postage and delivery	-	243	243
Supplies	890	257	1,147
Telephone	5,936	-	5,936
Utilities	3,502	-	3,502
Water	328	-	328
Total expenses	<u>\$ 54,544</u>	<u>\$ 23,370</u>	<u>\$ 77,914</u>

See accompanying notes and independent accountants' compilation report.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Statement of Cash Flows
Year Ended September 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (1,795)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:	
Adjustment - Restatement of beginning net assets	2,076
(Increase) decrease in:	
Accounts receivable	471
Increase (decrease) in:	
Accounts, payroll, and other payables	<u>1,270</u>
Net cash provided (used) by operating activities	<u>2,022</u>
Net increase in cash	2,022
CASH AT BEGINNING OF YEAR	<u>298</u>
CASH AT END OF YEAR	<u><u>\$ 2,320</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, 2016

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 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. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB 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, revenues, expenses, gain and losses are classified based on the existence or absence of contributor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be met either by actions of **the Organization** and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of **the Organization** pursuant to those stipulations. **The Organization** has no permanently restricted net assets.

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.

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, 2016, **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 temporarily or permanently restricted net assets as of the year ended September 30, 2016.

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

Only full-time, full-year employees are eligible for annual leave. Employees earn annual leave after a ninety-day probationary evaluation and who obtain a recommendation for retention.

- a. Employees with less than five years of service earn twelve days per year.
- b. Employees with more than five years of service earn eighteen days per year.

All accumulated leave must be taken on or before December 31st of each year. Payment for unused annual leave time shall be made upon the discharge, resignation, removal of employee due to reduction in force, retirement or death of an employee not to exceed eighteen days.

Note 2 – Concentration of Credit Risk

At September 30, 2016, **the Organization** had bank balances totaling \$2,320 on deposit in financial an institution located in Louisiana. The bank is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2016, **the Organization** had no uninsured cash balances.

The primary funding sources of **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, 2016, **the Organization** received 100% of its revenues from the Community Services Block Grant.

Note 3 – Operating Leases

The Organization presently leases office space under an operating lease agreement. The lease agreement commenced on December 27, 2016 and expires December 27, 2017. The lease requires monthly rental payments of \$650 payable on the 1st of each month. Rental expense for the year ended September 30, 2016 totaled \$6,730.

Minimum future lease payment under the operating lease agreement as of September 30, 2016 for the remaining year of the lease agreement is as follows:

Year Ending September 30, 2017	\$7,800
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Note 4 – 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 5 - 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, 2016.

Note 6 – Going Concern

As shown in the accompanying financial statements, **the Organization** has incurred net loss from continuing operations of \$14,991 as of September 30, 2016. In addition, **the Organization** has not paid its payroll taxes withheld in recent years and additional penalties and interest have been 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 or significant fundraising activities. Management believes that significant fundraising activities, projecting to generate income exceeding the net loss 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.

Note 7 – Prior Period Adjustments

The Net Assets as of September 30, 2015, have been restated to reflect the correction of errors related to various account balances. The effect of the restatement are as follows:

Total net assets, September 30, 2015, as previously reported	\$ (15,272)
Correct and write-off prior year account balances	<u>2,076</u>
Total net assets, September 30, 2015, restated	<u>\$ (13,196)</u>

Note 8 – 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 February 13, 2017, 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.

**SUPPLEMENTARY INFORMATION
SCHEDULE**

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
New Roads, Louisiana

Schedule of Compensation, Benefits and Other Payment to Chief Executive Officer
September 30, 2016

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 20,760
Benefits - Social Security	1,287
Benefits - Medicare	301
Reimbursements - Supplies	<u>355</u>
	<u>\$ 22,703</u>

OTHER INFORMATION

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

I have compiled the financial statements of Pointe Coupee Community Advancement, Inc. as of and for the year ended September 30, 2016, and have issued my report thereon dated February 13, 2017. I conducted my compilation in accordance with Statements on Standards for Accounting and Review Services (SSARA) and the provisions of Louisiana Revised Statutes 24:513.

Section I – Summary of Auditor’s Reports

A. Type of Report Issued: Compilation

Section II - Financial Statement Findings

No matters reported.

**POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Financial Statement Findings

No matters reported.

