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**THE CHURCH FOR UNITED COMMUNITY DEVELOPMENT**

**(A NOT FOR PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

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**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**

**(A NOT FOR PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
The Church United for Community Development  
St. Amant, Louisiana

We have audited the accompanying statements of financial position of The Church United for Community Development, (a nonprofit organization), as of December 31, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Church United for Community Development as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012, on our consideration of The Church United for Community Development's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Postlethwaite & Netterville*

Gonzales, Louisiana  
June 25, 2012

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**

**St. Amant, Louisiana**

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and cash equivalents	\$ 85,897	\$ 79,472
Contractual reimbursements receivable	19,999	50,482
Accounts receivable-other	146,776	53,859
Prepaid expenses	291	291
Total current assets	<u>252,963</u>	<u>184,104</u>
Fixed Assets		
Land, buildings and equipment, net	<u>788,360</u>	<u>1,305,734</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,041,323</u></b>	<b><u>\$ 1,489,838</u></b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities		
Accounts payable	\$ 87,082	\$ 27,009
Accrued expenses	2,280	6,805
Current portion of long-term debt	33,357	56,067
Total current liabilities	<u>122,719</u>	<u>89,881</u>
Long-term debt less current maturities	<u>250,235</u>	<u>658,197</u>
<b>TOTAL LIABILITIES</b>	<b>372,954</b>	<b>748,078</b>
<b>UNRESTRICTED NET ASSETS</b>	<b><u>668,369</u></b>	<b><u>741,760</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,041,323</u></b>	<b><u>\$ 1,489,838</u></b>

The accompanying notes are an integral part of these statements.

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**St. Amant, Louisiana**

**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>UNRESTRICTED NET ASSETS</u></b>		
<b><u>REVENUES AND OTHER SUPPORT</u></b>		
Public contributions	\$ 12,106	\$ 14,668
Contractual federal governmental support	665,858	1,589,940
Contractual state governmental support	-	164,201
United works	1,646,274	464,301
Other income	28,478	40,727
In kind contributions	56,009	66,968
Rental income	1,300	6,890
	<u>2,410,025</u>	<u>2,347,695</u>
<b><u>EXPENSES</u></b>		
Program services		
Transitional Housing	1,679,480	573,176
Community Outreach	225,287	443,753
Low Income Housing	12,602	20,256
After-School Abstinence Program	17,487	435,303
Employment Training	327,713	736,805
HUD Permanent Housing	34,104	32,665
Healing Place Church - St. Amant	39,040	29,403
Total program services	<u>2,335,713</u>	<u>2,271,361</u>
Supporting services and other expenses		
Management and general	<u>57,764</u>	<u>13,229</u>
	<u>2,393,477</u>	<u>2,284,590</u>
Loss on sale	<u>89,939</u>	<u>4,130</u>
	<u>2,483,416</u>	<u>2,288,720</u>
Change in net assets	(73,391)	58,975
Net assets at beginning of year	<u>741,760</u>	<u>682,785</u>
<b>Net assets at end of year</b>	<b><u>\$ 668,369</u></b>	<b><u>\$ 741,760</u></b>

The accompanying notes are an integral part of these statements.

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**

St. Amant, Louisiana

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2011**

	Program Services							Total
	Transitional Housing	Community Outreach	Low Income Housing	After-school Abstinence Program	Employment Training	HUD Permanent Housing	Healing Place Church - St. Amant	
<b>Salaries and Related Expenses</b>								
Salaries and wages	\$ 196,090	\$ 53,959	\$ -	\$ -	\$ 181,731	\$ 10,316	\$ -	\$ 442,096
Payroll taxes	15,001	4,128	-	-	13,903	789	-	33,821
Total salaries and related expenses	211,091	58,087	-	-	195,634	11,105	-	475,917
<b>Other Expenses</b>								
Repairs and maintenance	16,710	171	341	-	2,214	1,780	-	21,216
Supplies	294	883	-	-	1,290	143	-	2,610
Utilities	12,521	494	637	-	-	3,857	-	17,509
Telephone	3,024	352	-	-	1,350	-	-	4,726
Bad debts	-	-	-	-	-	-	-	-
Gasoline	16,975	31	-	-	894	-	-	17,900
Food	21,962	822	-	2,054	-	-	-	24,838
Insurance	30,017	2,555	-	-	6,538	4,774	3,286	47,170
Job materials	248,690	3,987	-	-	-	-	1,485	254,162
Contract labor	930,188	6,064	-	2,280	-	3,560	13,744	955,836
Benefits	4,536	75	-	11,831	-	-	-	16,442
Emergency assistance	356	88	-	-	-	-	-	444
Equipment rental	10,829	-	-	-	-	-	-	10,829
Gifts	650	607	-	-	195	-	-	1,452
Interest	-	6,671	8,561	-	-	-	-	27,434
Program expenses	35,283	70,111	-	-	72,490	6,200	12,202	189,457
Taxes	760	-	-	-	-	-	-	760
Rent	900	53,536	2,100	-	-	-	-	56,536
Travel	7,294	392	-	-	5,679	-	-	13,365
ITA accounts	-	406	-	-	6,750	-	-	7,156
Indirect cost allocation	90,164	12,095	677	939	16,302	1,831	2,096	124,104
Other	487	2,931	10	-	11,733	108	-	15,269
Total other expenses	1,431,640	162,271	12,326	17,104	125,435	22,253	38,186	1,809,215
Total Expenses Before Depreciation	1,642,731	220,358	12,326	17,104	321,069	33,358	38,186	2,285,132
Depreciation of buildings and equipment	36,749	4,929	276	383	6,644	746	854	50,581
Total Expenses	\$ 1,679,480	\$ 225,287	\$ 12,602	\$ 17,487	\$ 327,713	\$ 34,104	\$ 39,040	\$ 2,335,713
Support Services								
Management and General	-	-	-	-	-	-	-	164
Total	-	-	-	-	-	-	-	164
Total	\$ 442,096	\$ 442,096	\$ 442,096	\$ 442,096	\$ 442,096	\$ 442,096	\$ 442,096	\$ 442,096
Total	33,985	33,985	33,985	33,985	33,985	33,985	33,985	33,985
Total	476,081	476,081	476,081	476,081	476,081	476,081	476,081	476,081

The accompanying notes are an integral part of these statements.

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT  
(A NOT FOR PROFIT ORGANIZATION)**

St. Amant, Louisiana

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2010**

	Program Services										Support Services	
	Transitional Housing	Community Outreach	Low Income Housing	After-school			HUD Permanent Housing	Healing Place Church - St. Amant	Total Program Services	Management and General		
				Abstinence Program	Employment Training	Employment Training						
<b>Salaries and Related Expenses</b>												
Salaries and wages	\$ 205,824	\$ 114,121	\$ -	\$ 210,084	\$ 426,492	\$ 11,398	\$ -	\$ -	\$ 967,919	\$ -	\$ 66	\$ 967,919
Payroll taxes	15,746	8,730	-	16,071	32,637	872	-	-	74,056	-	66	74,122
Total salaries and related expenses	221,570	122,851	-	226,155	459,129	12,270	-	-	1,041,975	-	66	1,042,041
<b>Other Expenses</b>												
Repairs and maintenance	18,824	1,166	77	2,474	11,586	1,586	-	-	35,713	-	161	35,874
Supplies	3,058	902	-	9,539	6,104	5	-	-	19,608	-	24	19,632
Utilities	14,344	10,937	2,493	-	-	3,663	-	-	31,437	-	-	31,437
Telephone	4,157	641	-	-	5,984	-	-	-	10,782	-	-	10,782
Bad Debts	2,240	-	-	-	-	-	-	-	2,240	-	-	2,240
Gasoline	19,876	1,028	-	4,217	3,830	-	-	-	28,951	-	112	29,063
Food	17,280	1,120	-	837	3,988	-	-	-	23,225	-	4,258	27,483
Insurance	23,378	3,283	1,726	11,968	16,934	4,210	-	-	61,499	-	-	61,499
Job materials	35,501	-	-	-	-	-	-	-	35,501	-	-	35,501
Contract labor	35,316	8,140	-	39,230	-	-	-	-	82,686	-	-	82,686
Benefits	1,778	3,024	-	15,199	31,310	-	-	-	51,311	-	-	51,311
Emergency assistance	5,946	677	-	-	-	-	-	-	6,623	-	-	6,623
Equipment Rental	6,589	-	-	-	-	-	-	-	6,589	-	-	6,589
Gifts	137	17,816	-	-	-	-	-	-	17,953	-	333	18,286
Interest	-	3,089	-	-	-	-	-	-	37,577	-	4,589	42,166
Program expenses	79,360	109,849	8,835	59,242	40,916	2,237	-	25,653	291,604	-	1,592	293,196
Taxes	2,035	-	-	-	-	-	-	-	2,035	-	-	2,035
Rent	3,300	97,213	3,600	-	-	-	-	-	104,113	-	-	104,113
Travel	4,228	1,636	-	4,919	3,446	-	-	-	14,229	-	-	14,229
ITA accounts	-	406	-	-	52,054	-	-	-	52,460	-	298	52,758
Indirect cost allocation	59,181	48,813	2,220	47,699	80,736	7,469	3,222	-	249,340	-	1,446	250,786
Other	5,371	3,155	941	6,000	7,545	-	-	-	23,012	-	111	23,123
Total other expenses	341,899	312,895	19,892	201,324	264,433	19,170	28,875	-	1,188,488	12,924	-	1,201,412
Total Expenses Before Depreciation	563,469	435,746	19,892	427,479	723,562	31,440	28,875	-	2,230,491	12,990	-	2,243,453
Depreciation of buildings and equipment	9,707	8,007	364	7,824	13,243	1,225	528	-	40,898	239	-	41,137
Total Expenses	\$ 573,176	\$ 443,753	\$ 20,256	\$ 435,303	\$ 736,805	\$ 32,665	\$ 29,403	\$ -	\$ 2,271,361	\$ 13,229	\$ -	\$ 2,284,590

The accompanying notes are an integral part of these statements.



**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**St. Amant, Louisiana**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<b>2011</b>	<b>2010</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (73,391)	\$ 58,975
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	51,845	41,137
Loss on sale of assets	89,939	4,130
Bad debt	-	2,240
Decrease (increase) in contract reimbursements receivable	30,483	(12,701)
(Increase) decrease in accounts receivable	(92,917)	7,376
(Increase) in prepaid expenses	-	(291)
Increase in accounts payable	60,073	8,120
Decrease (increase) in accrued liabilities	(4,525)	6,805
NET CASH PROVIDED BY OPERATING ACTIVITIES	61,507	115,791
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Proceeds from sale of assets	392,366	-
Purchases of equipment	(16,776)	(14,542)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	375,590	(14,542)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from long-term debt	-	133,794
Payments on long-term debt	(430,672)	(187,064)
NET CASH USED IN FINANCING ACTIVITIES	(430,672)	(53,270)
 Net increase in cash and cash equivalents	 6,425	 47,979
Cash and cash equivalents at beginning of year	79,472	31,493
Cash and cash equivalents at end of year	\$ 85,897	\$ 79,472
<b>Supplemental Data</b>		
Interest paid	\$ 29,225	\$ 42,166

The accompanying notes are an integral part of these statements.

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**

**St. Amant, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**1. Nature of Activities and Summary of Significant Accounting Policies**

- A. **Nature of Activities.** The Church United for Community Development is a nonprofit Organization organized under the laws of the State of Louisiana to partner with government, schools, businesses, and community organizations to improve the quality of life for its citizens by building strong families, providing education and training and teaching integrity, character, and leadership. It operates principally in Ascension Parish, Louisiana.

Program services are supported through allocations received from contractual governmental support and grants which amounted to \$665,858 and \$1,754,141 for the years ended December 31, 2011 and 2010, respectively. This amounted to 28% and 77% of total support and revenue excluding in kind contributions for the years ended December 31, 2011 and 2010, respectively. While the Organization depends on contractual governmental support and in kind contributions, future operating results are not contingent solely on the Organization's continuing ability to secure contracts and grants. United Works is a program designed by the Organization to provide general contracting services in the area.

A summary of the Organization's significant accounting policies follows.

- B. **Public Support and Revenue.** The financial statements are prepared on the accrual basis of accounting. Financial statements presentation follows the guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under ASC, non-profit organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

1. ***Unrestricted Net Assets*** are net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
2. ***Temporarily Restricted Net Assets*** are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. There are no temporarily restricted assets recorded in these financial statements.
3. ***Permanently Restricted Net Assets*** are net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. There are no permanently restricted assets recorded in these financial statements.

- C. **Expenses.** Program services expenses are the direct and indirect costs related to accomplishing the Organization's objectives. Supporting services are expenses for activities not directly related to the purpose for which the organization exists.

- D. **Functional Allocation of Expenses.** The cost of providing various programs and supporting services have been reported on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services based on estimates made by management.

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
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**St. Amant, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

1. **Nature of Activities and Summary of Significant Accounting Policies (continued)**

- E. **Cash and Cash Equivalents.** For purposes of reporting the statements of cash flows, the Organization includes all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.
- F. **Accounts Receivable.** Accounts receivable are stated at the amount management expects to collect from outstanding balances. Receivables are considered uncollectible if payments are not received with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivables when management determines the receivable will not be collected.
- G. **Concentration of Credit Risk.** The Organization maintains cash in bank deposit accounts at various financial institutions. The balances, at times, may exceed federally insured limits. At December 31, 2011, the Organization's bank balance was fully insured by FDIC limits.
- H. **Recognition of Contractual Reimbursements from State Government.** The Organization receives most of its program support from federal and state government. The program recovers its costs on a contracted basis based on approved budgets. Revenues are recognized when services are performed.
- I. **Income Taxes.** The Organization accounts for income taxes in accordance with income tax accounting guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). On January 1, 2009, the Corporation adopted the accounting guidance related to accounting for uncertainty in income taxes, which sets out consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions.

The Church United for Community Development is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, the Organization has not recorded a provision for income taxes in the accompanying financial statements and the Organization does not have any uncertain tax positions. The Organization files a federal income tax return under U.S. federal jurisdiction. With few exceptions, the Organization is no longer subject to U.S. federal examinations by tax authorities for the year before 2008.

- J. **Land, Buildings, and Equipment.** Expenditures for the acquisition of land, buildings, and equipment are capitalized at cost. The fair value of donated furniture and equipment is similarly capitalized. Depreciation is computed by the straight line method over the following useful lives:

Buildings	30 - 40 years
Transportation equipment	5 years
Improvements	15 years
Other equipment	3 - 10 years

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
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**St. Amant, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

1. **Nature of Activities and Summary of Significant Accounting Policies (continued)**

- K. **Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
- L. **Donated Services and Non-Cash Assets.** A significant portion of the Organizations functions are conducted by unpaid board members and volunteers. The value of this contributed service is not reflected in the accompanying financial statements since the volunteers' service does not meet the criteria necessary for recognition. Contributions of donated non-cash assets are recorded at their fair values when received.
- M. **Reclassification.** Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 presentation.

2. **Contractual Reimbursements Receivable**

	<u>2011</u>	<u>2010</u>
U.S. Department of Justice	\$ 3,547	\$ 9,236
Prisoners Reentry Initiative	-	6,999
U.S. Department of Health and Human Services	-	8,097
U.S. Department of Housing and Urban Development	11,310	21,835
U.S. Department of Homeland Security	5,142	4,315
	<u>\$ 19,999</u>	<u>\$ 50,482</u>

3. **Land, Building, and Equipment**

	<u>2011</u>	<u>2010</u>
Buildings	\$ 836,436	\$ 1,252,297
Equipment	212,859	212,859
Rental Property	38,500	38,500
Vehicles	66,037	66,037
Land	12,500	99,945
Construction in Progress	5,929	5,929
Total	1,172,261	1,675,567
Accumulated Depreciation	<u>(383,901)</u>	<u>(369,833)</u>
Net Book Value	<u>\$ 788,360</u>	<u>\$ 1,305,734</u>

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
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**St. Amant, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

4. **Long-Term Debt**

Long-term debt as of December 31, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Note payable to bank collateralized by building and land, interest at 3.75% payable monthly until July, 2021	\$ 161,186	\$ 187,473
Note payable to bank collateralized by building and land, interest at 7.75% payable monthly until July, 2022	-	398,442
Note payable to bank collateralized by building and land, with interest at 6.75% payable monthly until April, 2013	<u>122,406</u>	<u>128,349</u>
Total	283,592	714,264
Less: current maturities	<u>(33,357)</u>	<u>(56,067)</u>
Long term debt	<u>\$ 250,235</u>	<u>\$ 658,197</u>

Aggregate maturities require on long term debt at December 31, 2011 are as follows:

2012	\$ 33,357
2013	144,652
2014	29,402
2015	30,524
2016	31,689
Thereafter	<u>13,968</u>
	<u>\$ 283,592</u>

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**

**St. Amant, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**5. Program Services**

- A. ***Transitional Housing.*** The Church United for Community Development operates a half way house for men in Gonzales called the "Ascension House." The program is designed to help men get reacquainted into society after being incarcerated or because of addiction to drugs or alcohol. The program teaches fathering skills, financial management, literacy, job skills, and life skills. As part of the operation of the "Ascension House" the Organization opened a thrift store to provide supplemental funding and employment for the residents. In addition, the Organization received partial funding from the Department of Housing and Urban Development to build and operate a multi-family housing unit in Gonzales, Louisiana. The Organization used third party contributions to finance the remainder of the project. It was opened in December, 2006 and there are four units that will house homeless or near homeless individuals or families for up to twenty four months.
- B. ***Community Outreach.*** The Organization raises money from a variety of private sources to be used for community outreach programs. A weekly food distribution is done at various sites, transportation is provided to job sites, court and life skill classes, utility, doctor and hospital bills are paid for needy individuals and missionaries receive support from the Organization.
- C. ***Low Income Housing.*** The Organization has purchased and remodeled homes to rent or sell to low income families. As of December 31, 2011, there are two trailers that are being rented.
- D. ***After-School Abstinence Program.*** The Organization developed an after-school program for low-income African American and Hispanic youth. The program is designed to educate participants, parents, and the community on the benefits of abstinence and to create an environment within the community to support their decision to remain abstinent until marriage. The program is currently functioning in four locations in Louisiana high schools and junior high schools which are: Donaldsonville, Gonzales, Baton Rouge, and St. Francisville. There are no ethnicity or income level requirements within the St. Francisville program.
- E. ***Employment Training.*** The Organization also operates a "Prisoner Release Initiative Program" (PRI). The program is designed to provide educational and vocational job training and job placement, to teach parenting and character development, to improve family connections, and to increase the percentage of fathers who are supporting their children financially.
- F. ***HUD Permanent Housing Project.*** The Organization received partial funding from the Department of Housing and Urban Development to build and operate a multi-family housing unit in Gonzales, Louisiana. The Organization used third party contributions to finance the remainder of the project. The construction for a four unit housing building was completed and opened in 2008. The new building will be organized as a permanent housing situation for individuals or families.
- G. ***Healing Place Church – St. Amant.*** The Organization operates a church campus in St. Amant, Louisiana which offers weekly religious services in both English and Spanish. An after-school programs also operates out of the campus building as well as a widows ministry which provides services to widowed women who need help taking care of their homes.

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**St. Amant, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**

**6. Contributors and Related Party Transactions**

The Organization is a diverse coalition of organizations including governmental, businesses, schools, faith-based organizations and community agencies.

Significant contributors can significantly influence management and operating policies of the organization. In prior years, one of the most significant supporters of the Organization was Healing Place Church of Baton Rouge, Louisiana (HPC). Included in unrestricted contributions is \$0 and \$14,668 of cash contributions from HPC in the years ended December 31, 2011 and 2010, respectively.

The Organization also has the free use of other facilities that are used in the various programs. Included in in-kind donations and expenses is \$25,370 of office rent and \$6,582 of vehicle use. The value of all in-kind donations has been estimated by management to be \$56,009 and \$66,968 in the year ended December 31, 2011 and 2010, respectively.

**7. Subsequent Events**

The Organization has evaluated subsequent events through the date that the financial statements were available to be issued, June 25, 2012, and determined that no events occurred that required disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

**SUPPLEMENTARY INFORMATION**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
The Church United for Community Development  
St. Amant, Louisiana

We have audited the financial statements of The Church United for Community Development (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2011-01). A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Organization's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization, federal award agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite & Metturill*

Gonzales, Louisiana  
June 25, 2012

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of  
The Church United for Community Development  
St. Amant, Louisiana

**Compliance**

We have audited The Church United for Community Development's (a nonprofit organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of The Church United for Community Development's major programs for the year ended December 31, 2011. The Church United for Community Development's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Church United for Community Development's management. Our responsibility is to express an opinion on The Church United for Community Development's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Church United for Community Development's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of The Church United for Community Development's compliance with those requirements.

In our opinion, The Church United for Community Development complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

**Internal Control Over Compliance**

Management of The Church United for Community Development is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered The Church United for Community Development's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Church United for Community Development's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, the State of Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



Gonzales, Louisiana  
June 25, 2012

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES Rescue and Restore Victims of Human Trafficking	93.598	90ZV0081/01	<u>\$ 85,688</u>
DEPARTMENT OF SOCIAL SERVICES LA Emergency Shelter Grant Program for the Homeless	14.231	649240	<u>28,707</u>
DEPARTMENT OF LABOR Prisoner Re-entry Initiative	17.270	PE152490660	<u>132,354</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT McKinney-Vento Homeless Assistance Competition	14.235	LA48B504002	102,239
Supporting Housing Program- HUD Permanent - Draw	14.235	LA48B504002	31,527
ARRA - Homeless Prevention and Rapid Re-Housing Program	14.257	685489	<u>92,416</u>
			<u>226,182</u>
U.S. DEPARTMENT OF JUSTICE Second Chance Mentoring	16.812	2009-CY-BX-0002	<u>216,984</u>
			<u>216,984</u>
Total expenditures of federal awards			<u>\$ 689,915</u>

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**St. Amant, Louisiana**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of The Church United for Community Development as is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Reconciliation of Federal Expenditures/Revenue to the Financial Statement**

The Statement of Functional Expenses includes Federal and Non-Federal expenditures. The following Federal Program expenditures are included combined Program Services as follows:

- LA Emergency Shelter Grant Program for the Homeless in the amount of \$28,707 is included in the Transitional Housing Program.
- Prisoner Re-entry Initiative in the amount of \$126,438 is included in the Employment Training Program and \$5,916 is included in After-School Abstinence Program.
- McKinney-Vento Homeless Assistance Competition in the amount of \$102,239 is included in the Transitional Housing Program.
- Support Housing Program – HUD Permanent – Draw in the amount of \$31,527 is included in the HUD Permanent Housing Program.
- Rescue and Restore Victims of Human Trafficking in the amount of \$85,688 is included in the Community Outreach Program.
- Second Chance Mentoring in the amount of \$201,275 is included in the Employment Training Program, \$11,571 is included in the After-School Abstinence Program, and \$4,138 is included in the Transitional Housing Program.
- Homelessness Prevention and Rapid Re-Housing in the amount of \$92,416 is included in the Community Outreach Program.

The following Federal revenue is included in revenue as follows:

- Revenue of \$24,057 related to Second Chance Mentoring is included in in-kind donations.

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**St. Amant, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

- Material weakness(es) identified? \_\_\_\_\_ yes     no
- Significant deficiencies identified that are not considered to be material weaknesses?     yes    \_\_\_\_\_ none reported

Noncompliance material to financial statements noted?    \_\_\_\_\_ yes     no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?    \_\_\_\_\_ yes     no
- Significant deficiencies identified that are not considered to be material weaknesses?    \_\_\_\_\_ yes     none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?    \_\_\_\_\_ yes     no

Identification of major programs:

CFDA Numbers  
16.812

Name of Federal Program or Cluster  
Second Chance Mentoring

The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.

- The Church United for Community Development was determined to be a low-risk auditee.

**THE CHURCH UNITED FOR COMMUNITY DEVELOPMENT**  
**(A NOT FOR PROFIT ORGANIZATION)**

**St. Amant, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2011**

**Section II - Findings – Financial Statement Audit**

**2011-01 Internal Controls over Accounts Receivable and Accounts Payable**

Criteria: Internal controls should be in place that provides a reasonable assurance that revenue and expenditures are recorded in the proper period.

Condition: Accounts receivable and accounts payable were not properly recorded. A number of transactions tested in the accounts receivable and accounts payable sample resulted in revenue and expenditures not being recorded in the proper accounting period.

Cause: The Organization does not have an individual responsible for ensuring proper cutoff procedures are in place and for ensuring items are being recorded in the proper period.

Effect: Adjusting entries were made to the accounts receivable and accounts payable subsidiary sub ledger.

Recommendation: The Organization should provide adequate training and assign appropriate personnel to review transactions to ensure items are recorded in the proper period.

Views of responsible officials and planned corrective actions: The Organization will discuss the process with their employees and designate an individual to implement proper cutoff procedures.



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**St. Amant, Louisiana**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED DECEMBER 31, 2011**

**Section I - Findings – Financial Statement Audit**

- None

**Section II - Findings and Questioned Costs- Major Federal Award Programs Audit**

- None