

Crescent City WIC Services, Inc.

Financial Report

Year Ended December 31, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 22 2014

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PEDELAHORE & CO., LLP
Certified Public Accountants

Independent Accountant's Review Report

To the Board of Directors
Crescent City WIC Services, Inc.
Gretna, Louisiana


We have reviewed the accompanying statement of assets, liabilities and net assets – modified cash basis of Crescent City WIC Services, Inc. (a nonprofit organization) as of December 31, 2012, and the related statement of revenues and expenses and change in net assets – modified cash basis 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, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our 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 us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting as described in Note 1.

This report is intended solely for the information and use of the Board of Directors of Crescent City WIC Services, Inc. and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.


December 28, 2013

Crescent City WIC Services, Inc.
Statement Of Assets, Liabilities And Net Assets
Modified Cash Basis
December 31, 2012

Assets

Current Assets

Cash \$ 52,538

Total current assets 52,538

Property And Equipment

Office furniture and equipment 9,951

Less: accumulated depreciation 5,857

4,094

\$ 56,632

Liabilities And Net Assets

Net Assets

Unrestricted 56,632

\$ 56,632

See accompanying notes and independent accountant's review report.

Crescent City WIC Services, Inc.
Statement Of Revenues And Expenses And Change In Net Assets
Modified Cash Basis
For The Year Ended December 31, 2012

Support And Revenue	
Program fees	\$ 381,623
Donations	<u>3,000</u>
	<u>384,623</u>
Expenses	
Salaries and wages	181,916
Rent	44,250
Contract labor	40,254
Insurance	18,307
Payroll tax expense	13,917
Admin/Operational expense	13,750
Office expense	10,686
Event and subscriptions	7,198
Medical supplies	5,850
Professional fees	5,451
Repairs and maintenance	4,870
Travel expense	2,102
Automobile expense	1,882
Meals and entertainment	1,789
Depreciation	1,582
Advertising	394
Uniforms	376
Telephone expense	268
Miscellaneous	234
Postage	36
	<u>355,112</u>
Increase In Net Assets	29,511
Net Assets, Beginning of Year	<u>27,121</u>
Net Assets, End of Year	<u><u>\$ 56,632</u></u>

See accompanying notes and independent accountant's review report.

Crescent City WIC Services, Inc.
Notes To Financial Statements
Year Ended December 31, 2012

Note 1. Summary Of Significant Accounting Policies

Nature of Business

Crescent City WIC Services, Inc. (the Organization) is a nonprofit organization. The Organization is primarily engaged in providing services for The Special Supplemental Nutrition Program for Women, Infant and Children (LA WIC Program); which includes: determining eligibility for program participation; conducting nutrition risk assessment; providing nutrition education; developing nutrition care plans; issuing food instruments for use in exchange for supplemental foods; training and monitoring WIC vendors.

Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at historical cost. Depreciation and amortization of property and equipment is provided utilizing accelerated methods. Depreciation expense for the December 31, 2012 was \$1,582.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Program Fees

Program Fees are recorded as received.

Basis of accounting

The financial statements are reported using the modified cash basis of accounting. The Organization records revenues when received and records expenses and purchases of assets when paid.

Crescent City WIC Services, Inc.
Notes To Financial Statements
Year Ended December 31, 2012

Note 1. Summary Of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a tax-exempt organization under Internal Revenue Code Section 501(c)(3) and, as such, is not subject to income taxes.

The Organization has adopted *FASB ASC 740-10, "Accounting for Uncertainty in Income Taxes."* Using that guidance, as of December 31, 2012, the Organization believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Also, the Organization's federal and state tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitation on those returns. In general, both the federal and state tax returns have a three year statute of limitations.

Financial Statement Presentation

The Organization follows the Not-For-Profit topic of the FASB Accounting Standards Codification with respect to financial statement presentation. Under this topic, the Organization is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Note 2. Related Party Transactions

The Organization conducts its operations from facilities rented from Crescent City Coders, LLC and shares in overhead expenses. The Organization and Crescent City Coders, LLC are both owned by Mary Schultheis. The Organization reimburses Crescent City Coders approximately 50% of the operating expenses each month, or \$13,750 for December 31, 2012. Rental paid to Crescent City Coders, LLC totaled \$44,250 in 2012.

Crescent City WIC Services, Inc.
Notes To Financial Statements
Year Ended December 31, 2012

Note 3. Concentration

The Organization has one major customer, LA WIC Program, which represents approximately 99% of the total receipts.

Note 4. Subsequent Events

Management has evaluated the events and transactions for potential recognition or disclosure through December 28, 2013, the date the financial statements were available to be issued.

PEDELAHORE & CO., LLP
Certified Public Accountants

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
Crescent City WIC Services, Inc.
Gretna, Louisiana

We have performed the procedures included in the Louisiana *Governmental Audit Guide* as enumerated below, which were agreed to by the management of Crescent City WIC Services, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the specified parties in evaluating management's assertions about Crescent City WIC Services, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2012, included in the accompanying *Louisiana Attestation Questionnaire*. Management of Crescent City WIC Services, Inc. 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 parties of this report. Consequently, we 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.

State Awards

1. Determine the amount of state award expenditures for the fiscal year, by grant and grant year.

Crescent City WIC Services, Inc.'s state award expenditures for all state programs for the fiscal year follow:

<u>State Grant Name</u>	<u>Grant Year</u>	<u>CFDA No.</u>	<u>Amount</u>
State of Louisiana – WIC Program	2012	N/A	<u>\$381,623</u>
Total Expenditures			<u>\$381,623</u>

2. Since award amounts are unrestricted and commingled with other funds, we randomly selected six disbursements from the check register.
3. We traced supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.
4. We traced the six disbursements to the general ledger to determine proper coding.
No exceptions

5. We tested the six disbursements for proper approval from authorized individuals.

No exceptions

6. For items selected in Procedure 2: For federal awards, determine whether the disbursements compiled 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, determine whether the disbursements comply with the grant agreement, relating to:

Activities Allowed or Unallowed:

We reviewed the grant agreement for restrictions on the use of funds. All disbursements selected were within requirements of the grant.

Eligibility

We reviewed the grant agreement for eligibility requirements. All disbursements selected were eligible.

Reporting

We reviewed the grant agreement for reporting requirements. No exceptions were noted.

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

This section was not applicable for this review period.

Open Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42.11 through 42.28 (the open meeting law).

The entity is not a public body as defined by LA Supreme Court's four factor test; (and as more recently opined by the Louisiana Attorney General's three factor test); therefore it is not subject to the open meetings law requirement.

Budget

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

The Organization provided a budget which met the requirements of the grantor agency.

Prior Comments and Recommendations

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

This section was not applicable for this review period.

We were not engaged to perform, and did not perform, and audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we 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 Crescent City WIC Services, Inc., and 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.

December 28, 2013

Crescent City WIC Services, Inc.
Summary Schedule Of Prior And Current Year Findings With Management's
Response And Planned Corrective Action
Year Ended December 31, 2012

We have reviewed the financial statements of Crescent City WIC Services, Inc. as of and for the year ended December 31, 2012, and have issued our report thereon dated December 28, 2013. In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have also issued a report, dated December 28, 2013, on the results of our agreed-upon procedures.

Prior Year Findings:

Section I – Review Procedures

None

Section II – Agreed-Upon Procedures

Not applicable

Section III – Management Letter

None issued.

Current Year Findings:

Section I – Review Procedures

Finding 2012-1:	State Reporting
Criteria:	Louisiana state audit law (R.S. 24:513) requires that governmental and quasi-public entities complete and file their audit, review/attestation or compilation reports with the Legislative Auditor's office within six months of the close of the entity's fiscal year.
Condition:	The Organization did not meet the reporting and filing due date of June 30, 2013.
Cause:	The Organization originally submitted a compilation report dated June 25, 2013. Since revenue exceeded \$200,000, the financial statements had to be reissued as a review report to be in compliance with the R.S. 24:513.
Effect:	Noncompliance with the reporting and filing audit laws.

Crescent City WIC Services, Inc.
Summary Schedule Of Prior And Current Year Findings With Management's
Response And Planned Corrective Action
Year Ended December 31, 2012
(Continued)

Recommendation: We recommend that the Organization better understand the appropriate reporting requirements, and further recommend that management put the necessary controls in place to ensure all administrative and financial records are readily available for timely preparation and filing of the annual financial reporting package.

**Management's
response and
planned corrective
action:**

The Organization concurs with the finding and has taken corrective action - by determining that a review/attestation engagement is due for 2013, and by contacting an accounting firm to conduct the engagement.

Section II – Agreed-Upon Procedures

None

Section III – Management Letter

None issued.

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.

<u>Deonka Boonji-Monice</u>	Secretary	<u>12/27/13</u>	Date
<u>Deonka Boonji-Monice</u>	Treasurer	<u>12/27/13</u>	Date
<u>Mary E. Schultze</u>	President	<u>12/27/13</u>	Date