

FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REPORT

SUCCOR, INC.

DECEMBER 31, 2007

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 8/13/08

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PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants
Management Consultants

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
Succor, Inc.

We have reviewed the accompanying statement of financial position of Succor, Inc. (a non-profit organization) as of December 31, 2007, and the related statement of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Succor, Inc.

Our review was conducted in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards issued by the Comptroller General of the United States of America. A review consists principally of inquiries of Succor, Inc. personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 generally accepted accounting principles.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated April 23, 2008, on the results of our agreed-upon procedures.

Pailet, Meunier and LeBlanc, L.L.P.

Metairie, Louisiana
April 23, 2008

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SUCCOR, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2007

ASSETS

Current Assets	
Cash in Bank	\$ <u>264,109</u>
Total Current Assets	<u>264,109</u>
Property and Equipment	
Furniture, Machinery & Equipment	26,528
Accumulated Depreciation	<u>(9,762)</u>
Total Property and Equipment	<u>16,766</u>
Total Assets	<u>\$ 280,875</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 20,000
Payroll Taxes Payable	<u>(1,485)</u>
Total Current Liabilities	<u>18,515</u>
Contingencies	
Net Assets	
Net Assets	<u>262,360</u>
Total Liabilities and Net Assets	<u>\$ 280,875</u>

See accountant's report and notes to financial statements.

SUCCOR, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2007

UNRESTRICTED NET ASSETS	
Unrestricted Revenues	
Contributions	\$ 301,000
Total Unrestricted Revenues	<u>301,000</u>
Expenses	
Program Services	235,183
Supporting Services	<u>42,220</u>
Total Expenses	<u>277,403</u>
Increase/(Decrease) in Unrestricted Net Assets	\$ 23,597
Net Assets at Beginning of Year	<u>238,763</u>
Net Assets at End of Year	<u>\$ 262,360</u>

See accountant's report and notes to financial statements.

SUCCOR, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2007

	Total	Program Services	Supporting Services
Production Expense	4,044	4,044	-
Sponsorship	15,140	15,140	-
Payroll Taxes	270	57	57
Printing and Reproduction	270	243	27
Contract Labor	21,617	21,617	-
Telephone	4,000	3,400	600
Postage and Delivery	500	425	75
Bookkeeping	900	-	900
Legal Fees	12,750	11,750	1,000
Consulting	184,402	161,149	23,253
Rent	9,000	8,100	900
Travel	5,300	4,770	530
Office Expense	14,842	2,226	12,616
Depreciation	4,524	2,262	2,262
Total Expenses	<u>\$ 277,559</u>	<u>235,183</u>	<u>\$ 42,220</u>

See accountant's report and notes to financial statements.

SUCCOR, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in Net Assets	\$ 23,597
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	4,524
(Increase) decrease in operating assets:	
Grants Receivable	200,000
Increase (decrease) in operating liabilities:	
Payroll Taxes Payable	<u>(2,372)</u>
Total adjustments	<u>202,152</u>
Net cash provided by operating activities	<u>225,749</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash payments for the purchase of property	<u>(7,821)</u>
Net cash provided by investing activities	<u>(7,821)</u>
Net increase in cash and equivalents	217,928
Cash and equivalents, beginning of year	<u>46,181</u>
Cash and equivalents, end of year	<u>\$ 264,109</u>

See accountant's report and notes to financial statements.

SUCCOR, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2007

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Succor, Inc. (the Organization) is a non-profit corporation organized to foster, protect and promote the public welfare, character and spiritual development by making donations for the public benefit and by engaging in charitable, educational and civic endeavors, by bringing about programs of an educational and economic value, and by cultivating the practice of volunteerism among its members.

The Organization is supported primarily through government cooperative endeavor agreements and does not engage in fundraising activities.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Any other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. At December 31, 2007, the Organization has no temporarily or permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

It is the Organization's policy to capitalize property and equipment with an expected life of three or more years and a cost of \$500 or more. Property and equipment are depreciated using the straight-line method over a five to ten year depreciable life.

SUCCOR, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2007

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Organization does not use fund accounting.

Contributions

The Organization has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Income Taxes

The Organization is a not-for-profit 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization occasionally maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is mitigated by maintaining all deposits in high quality financial institutions.

SUCCOR, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2007

NOTE B - FINANCIAL ASSISTANCE

State of Louisiana Assistance

The Organization has been awarded an appropriation from the State of Louisiana to be used to defray the expenses of establishing and maintaining health and education initiatives which is the Organization's only program.

For the year ended December 31, 2007, the following appropriation is reflected in the financial statements:

Contract Period July 1, 2006 through June 30, 2007

Succor, Inc. received an appropriation in the amount of \$300,000. The entire contribution was recorded as income in 2007.

NOTE D - CONTINGENCIES

Concentration of Support

The Organization receives a substantial amount of its support from the State of Louisiana. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities. Approximately 100% of the Organization's support for the year ended December 31, 2007, came from the Governor's Office of Urban Affairs.

NOTE E - DESCRIPTION OF LEASING ARRANGEMENTS

Vernon Thomas

There were two agreements entered into with Vernon Thomas. The first lease was entered into for a wellness center and was effective June 1, 2007, in New Orleans, Louisiana. The term of the lease is for three years, expiring May 31, 2010. The second lease was for office space in New Orleans, Louisiana and was effective July 1, 2007. This is also a three year lease and expires on June 30th, 2010.

Minimum lease payments are as follows:

2008	\$	12,000
2009		12,000
2010		6,000
Total	\$	<u>30,000</u>

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors of
Succor, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Succor, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Succor, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2007, 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, 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.

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.

Succor, Inc.'s expenditures for all Federal, State, and Local programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
<u>Louisiana Appropriation</u>	2007		\$277,402.73
Total Expenditures			\$277,402.73

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award, total of 12 for the year 2007, administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

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

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

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

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the twelve selected disbursements indicated approvals from the executive director.

6. For the items selected in procedure 2: For federal awards, we 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, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed.

We reviewed the previously listed disbursements for types of services allowed or not allowed. All twelve disbursements complied with the allowability requirements because the services rendered met the goals of the program.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. All twelve of the reviewed disbursements complied with the eligibility requirements because the disbursements were for program or supporting services.

Reporting

We reviewed the previously listed disbursements for reporting requirements. No exceptions were noted.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

Not applicable. No programs were closed out during the year.

Meetings

8. We 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).

Not applicable as there was no discussion of state funds at the board's only meeting for the year.

Comprehensive Budget

- 9 For all grants exceeding five thousand dollars, we 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.

Succor, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets 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

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

Not applicable as there were no such recommendations made in prior years that required resolution.

We were 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, 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 Succor, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Failet, Meunier and LeBlanc, L.L.P.
April 23, 2008