

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

June 30, 2012

**CASCIO & SCHMIDT, LLC
Certified Public Accountants**

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
MQVN Community Development Corporation, Inc.

We have audited the accompanying statement of financial position of MQVN Community Development Corporation, Inc. (a nonprofit corporation) as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of MQVN Community Development Corporation, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Corporation's 2011 financial statements and, in our report dated February 24, 2012, we expressed a qualified opinion on those financial statements.

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. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

As explained in Note C to the financial statements, part of the land purchased in Versailles Gardens for \$550,000, has been classified as wetland by the Army Corps of Engineers', which is included on the balance sheet at the purchase price. Also, as explained in Note E, real estate acquired by gift is not recorded in the financial statements. In our opinion, accounting principles generally accepted in the United States of America require that the land classified as wetland, and the donated property be recorded at fair value. It was not practicable to determine the effects of the land classified as Wetland, or the unrecorded real estate, on the financial statements.

In our opinion, except for the effects of not presenting the wetland and the donated real estate at fair value, referred to in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of MQVN Community Development Corporation, Inc. as of June 30, 2012, and the changes in net assets and its cash flows for the year 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 a report dated March 7, 2013, on our consideration of MQVN Community Development Corporation, Inc.'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 MQVN Community Development Corporation, Inc. taken as a whole. The accompanying supplemental Combined Statement of Activities, and Combined Statement of Expenses on pages 14 - 16, for the year ended June 30, 2012, is presented for the purpose of additional analysis 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 standard 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.

Caccio & Schmidt, RPA.

Metairie, Louisiana
March 7, 2013

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2012

ASSETS

	<u>June 30, 2012</u>	TOTAL Memorandum Only <u>June 30, 2011</u>
CURRENT ASSETS		
Cash	\$ 1,096,398	\$ 365,563
Receivables (Notes A-9 and B)	148,503	503,684
Prepaid expenses	-	<u>10,125</u>
Total current assets	<u>1,244,901</u>	<u>879,372</u>
PROPERTY AND EQUIPMENT (Notes A-4, C and D)		
Land - Versailles Gardens	550,000	550,000
Land - Chef Menteur Highway	204,858	204,858
Equipment	13,030	13,030
License agreement	<u>93,990</u>	<u>93,990</u>
	861,878	861,878
Less accumulated depreciation and amortization	<u>58,392</u>	<u>23,807</u>
	803,486	838,071
OTHER ASSETS		
Security deposit	129	129
Total assets	<u>\$ 2,048,516</u>	<u>\$ 1,717,572</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Notes payable, demand	\$ 45,546	\$ 80,546
Current maturities of long-term obligations	357,732	366,655
Accounts payable	61,201	211,318
Accrued liabilities	<u>27,366</u>	<u>24,208</u>
Total current liabilities	491,845	882,727

LONG - TERM OBLIGATIONS,

Less current maturities (Note D)	<u>121,210</u>	<u>127,192</u>
Total liabilities	613,055	809,919

COMMITMENTS and CONTINGENCIES
(Note E)

NET ASSETS

Unrestricted	1,435,461	907,653
Temporarily restricted	<u>-</u>	<u>-</u>
Total net assets	<u>1,435,461</u>	<u>907,653</u>
Total liabilities and net assets	<u>\$ 2,048,516</u>	<u>\$ 1,717,572</u>

The accompanying notes are an integral part of this statement.

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>TOTAL Memorandum Only June 30, 2011</u>
REVENUE				
Grant appropriations	\$ -	\$ 828,614	\$ 828,614	\$ 296,806
State contract	-	88,589	88,589	237,037
Foundation income	325,347	378,978	704,325	705,734
United Way	-	20,000	20,000	20,000
Service fees	612,213	-	612,213	95,217
Other	11,620	-	11,620	12,250
Net assets released from restriction	<u>1,316,181</u>	<u>(1,316,181)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>2,265,361</u>	<u>-</u>	<u>2,265,361</u>	<u>1,367,044</u>
EXPENSES				
Program services				
Community services	786,406	-	786,406	250,322
Medical services	<u>682,075</u>	<u>-</u>	<u>682,075</u>	<u>247,505</u>
	<u>1,468,481</u>	<u>-</u>	<u>1,468,481</u>	<u>497,827</u>
Supporting services				
Management and general	<u>269,072</u>	<u>-</u>	<u>269,072</u>	<u>522,024</u>
Total expenses	<u>1,737,553</u>	<u>-</u>	<u>1,737,553</u>	<u>1,019,851</u>
Increase in Net Assets	527,808	-	527,808	347,193
Net Assets, Beginning of Year	<u>907,653</u>	<u>-</u>	<u>907,653</u>	<u>560,460</u>
Net Assets, End of Year	\$ <u>1,435,461</u>	\$ <u>-</u>	\$ <u>1,435,461</u>	\$ <u>907,653</u>

The accompanying notes are an integral part of this statement.

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2012

	<u>Program Services</u>		<u>Management and General</u>	<u>Total</u>
	<u>Community Services</u>	<u>Medical Services</u>		
Personnel	\$ 310,300	\$ 232,140	\$ 81,088	\$ 623,528
Direct assistance	265,933	-	-	265,933
Travel	28,425	40,344	11,685	80,454
Operating services	24,575	11,796	29,270	65,641
Supplies	42,790	5,962	6,323	55,075
Professional services	60,600	4,000	30,321	94,921
Occupancy	8,937	1,400	14,438	24,775
Health Center, other	-	371,213	32,695	403,908
Other expenses	15,974	102	4,923	20,999
Equipment	28,872	15,118	391	44,381
Taxes/licenses	-	-	23,352	23,352
Depreciation and amortization	-	-	34,586	34,586
	<u>\$ 786,406</u>	<u>\$ 682,075</u>	<u>\$ 269,072</u>	<u>\$ 1,737,553</u>

The accompanying notes are an integral part of this statement.

MQVN Community Development Corporation, Inc.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2012

		TOTAL Memorandum Only <u>June 30, 2011</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Grants and contributions	\$ 2,008,329	\$ 885,936
Service fees	612,213	95,217
Payments to employees and suppliers	(1,829,626)	(806,249)
Interest expense	(10,175)	(11,180)
Net Cash Provided by Operating Activities	780,741	163,724
Cash Flows from Investing Activities		
Acquisition of license agreement	-	(93,990)
Net Cash (Used) in Investing Activities	-	(93,990)
Cash Flows from Financing Activities		
Long-term debt payments	(14,906)	(13,899)
Demand note payments	(35,000)	-
Net Cash Used by Financing Activities	(49,906)	(13,899)
Net Increase in Cash and Cash Equivalents	730,835	55,835
Cash and Cash Equivalents at Beginning of Year	<u>365,563</u>	<u>309,728</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,096,398</u>	<u>\$ 365,563</u>

The accompanying notes are an integral part of this statement.

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2012

**TOTAL
Memorandum Only
June 30, 2011**

Reconciliation of Increase in
Net Assets to Net Cash Provided
By Operating Activities

Increase in net assets	\$ <u>527,808</u>	\$ <u>347,193</u>
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Adjustments to reconcile increase
in net assets to net cash (used) by
operating activities:

Depreciation/amortization	34,586	18,921
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Changes in assets and liabilities:

(Increase) decrease in receivables	355,181	(385,891)
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Increase (decrease) in accounts payable	(150,117)	193,626
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Increase (decrease) in accrued liabilities	3,158	-
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(Increase) decrease in prepaid expenses	<u>10,125</u>	<u>(10,125)</u>
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Total adjustments	<u>252,933</u>	<u>(183,469)</u>
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Net Cash Provided by Operating Activities	\$ <u>780,741</u>	\$ <u>163,724</u>
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Supplemental cash flow information:

Interest paid	\$ 10,175	\$ 11,180
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The accompanying notes are an integral part of this statement.

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follow.

1. Nature of Activities

MQVN Community Development Corporation, Inc. began operations in July 2006. MQVN Community Development Corporation, Inc.'s (MQVN-CDC) mission is to rebuild the New Orleans East community and to contribute to the rebuilding of a more equitable New Orleans. To achieve this mission, MQVN-CDC focuses on four key strategies: facilitate community access to services and resources to rebuild their lives, organize residents to ensure they have a voice in the rebuilding process, develop affordable housing for low-income families, and promote quality health care and education as well as business development and neighborhood ethnic business district revitalization. MQVN - CDC also began operating a medical clinic in March 2012.

2. Presentation of Financial Statements

The Corporation's financial statements are presented in accordance with the requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958. Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There are no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Revenue Recognition

Grant revenue is recognized as it is earned in accordance with approved contracts. Contributions are recognized as income in the period received and is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished. Also when grant services are performed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

Donated services are recorded at the fair value of the donated services and are recognized if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills provided by persons possessing those skills, and would need to be purchased if they were not donated.

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

4. Property and Equipment

MQVN Community Development Corporation, Inc. follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Depreciation is computed using the straight-line basis over the useful lives of the assets.

In January 2011, a perpetual license agreement for an electronic health system was entered into for \$93,990, which is being amortized over thirty six months.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support.

Depreciation and amortization for the year ended June 30, 2012 amounted to \$34,586.

5. Income Taxes

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

6. Estimates

The preparation of financial statement 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.

7. Cash

The Company maintains its cash in bank deposits accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

8. Fair Values of Financial Instruments

The carrying amount of cash and cash equivalents reported in the statement of financial position approximates fair value because of the short maturities of those instruments.

9. Receivables

Receivables are principally due from grants and contracts. Accordingly, the Corporation considers the receivables to be fully collectible. If amounts due become uncollectible, they will be charged to operations when that determination is made.

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

10. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued, March 7, 2013.

11. Total Columns of Combined Statements

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - RECEIVABLES

Receivables at June 30, 2012, consist of the following:

Environmental Protection Agency	\$ 19,870
Greater New Orleans Community Health Connection	17,880
Tulane Educational Fund	40,094
Goodwill Industries	37,936
St. Charles Community Health Center	<u>32,723</u>
	<u>\$ 148,503</u>

NOTE C - PROPERTY, VERSAILLES GARDENS

In November 2007, MQVN Community Development Corporation, Inc. (MQVN-CDC) purchased approximately 20 acres of land (Versailles Gardens) in New Orleans East for \$550,000, to be used as an agricultural and community complex. Thereafter, MQVN - CDC discovered that most of the land was jurisdictional wetlands, and subject to Corps' of Engineers' jurisdiction.

MQVN-CDC is currently seeking recession of the sale based on error, and return from the Sellers of the portion of the purchase price it paid in exchange for its transfer of title to the land back to the Sellers.

NOTE D - LONG-TERM OBLIGATIONS

Long-term obligations consist of the following:

Real Estate note payable to an individual, collateralized by Versailles Gardens property. (See Note C)

Principal balance	\$ 341,750
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MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE D - LONG-TERM OBLIGATIONS - Continued

Note payable collateralized by property at
13085 Chef Menteur Highway New Orleans,
interest at 7%, payable \$2,090 per month,
final installment May 1, 2019. 137,192

Less current portion 357,732

Long-term obligations, less current portion \$ 121,210

Principal maturities on long-term obligations for the following years ending:

June 30, 2013	\$ 357,732
June 30, 2014	17,138
June 30, 2015	18,376
June 30, 2016	19,705
June 30, 2017	21,129
Succeeding years	<u>44,862</u>
	<u>\$ 478,942</u>

Interest expense for the year amounted to \$10,175.

NOTE E - COMMITMENTS AND CONTINGENCIES

The Corporation leases its administrative office under an open-end operating lease at \$800 per month, expiring December 31, 2014. The lease for the medical clinic, at \$1,060/ month, expires March 2012, and has the option to renew for one year. The rent expense for the year ended June 30, 2012 was \$12,040.

In December 2008, MQVN - Community Development Corporation, Inc. received a donation of real property in Iowa which had been operated as a swine farm. This donation has not been recorded in the general ledger, nor included in the financial statements. Its value has not been determined, and an environmental study has not been performed to determine if there are any environmental remediation liabilities.

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012

NOTE F - CLASSIFICATION OF ACCOUNTS

Certain prior year accounts have been reclassified to agree to the current year presentation.

NOTE G - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

SUPPLEMENTAL INFORMATION

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.
COMBINED STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

	BRAF	United Way	Health Center			Community Services			TOTAL	
			VEGGI	General & Admin		Operating	General & Admin			Total
				Operating	Total		Operating	Total		
Revenue										
State contract	\$ -	\$ -	\$ 88,589	\$ -	\$ 88,589	\$ -	\$ -	\$ -	\$ 88,589	
Grant appropriations	393,445	-	247,945	-	247,945	167,224	-	167,224	828,614	
Foundation income	-	-	264,178	-	264,178	329,872	55,275	385,147	704,325	
Service/fee income	-	-	612,213	-	612,213	-	-	-	612,213	
United Way grant	-	20,000	-	-	-	-	-	-	20,000	
United Way designations	-	1,251	-	-	-	-	-	-	1,251	
Sale of product	-	-	-	-	-	-	-	-	4,035	
Other	-	87	-	-	-	-	-	852	6,334	
Total	<u>393,445</u>	<u>21,338</u>	<u>1,212,925</u>	<u>-</u>	<u>1,212,925</u>	<u>497,948</u>	<u>60,440</u>	<u>558,388</u>	<u>2,265,361</u>	
Expenses										
Personnel	63,968	20,000	232,140	15,204	247,344	210,332	65,884	276,216	623,528	
Professional services	6,000	-	4,000	10,000	14,000	53,240	20,321	73,561	94,921	
Operating services	14,063	-	11,796	14,114	25,910	8,429	15,156	23,585	65,641	
Supplies	4,896	-	5,962	1,706	7,668	9,901	4,617	14,518	55,075	
Occupancy	5,003	-	1,400	13,512	14,912	3,934	926	4,860	24,775	
Travel/meetings	472	-	40,344	8,477	48,821	24,075	3,208	27,283	80,454	
Equipment	1,800	-	15,118	-	15,118	14,394	391	14,785	44,381	
Interest expense	-	-	-	-	-	10,175	-	10,175	10,175	
Taxes/licenses	-	-	-	23,117	23,117	-	235	235	23,352	
Miscellaneous expenses	-	-	102	-	102	2,431	4,923	7,354	10,824	
Direct assistance	265,933	-	-	-	-	-	-	-	265,933	
Depreciation/amortization	-	-	-	31,330	31,330	-	3,256	3,256	34,586	
Other clinic expenses	-	-	371,213	32,695	403,908	-	-	-	403,908	
Total	<u>362,135</u>	<u>20,000</u>	<u>682,075</u>	<u>150,155</u>	<u>832,230</u>	<u>336,911</u>	<u>118,917</u>	<u>455,828</u>	<u>1,737,553</u>	
Increase (Decrease)										
In Net Assets	31,310	1,338	530,850	(150,155)	380,695	161,037	(58,477)	102,560	527,808	
Transfers to General & Administrative	(31,310)	(1,338)	-	-	380,695	-	-	32,648	-	
Increase in Net Assets	-	-	-	-	380,695	-	-	135,208	527,808	
Net Assets, Beginning of Year	-	-	-	-	16,257	-	-	891,396	907,653	
Net Assets, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,905</u>	<u>\$ -</u>	<u>\$ 396,952</u>	<u>\$ -</u>	<u>\$ 1,026,604</u>	<u>\$ 1,435,461</u>	<u>\$ 1,435,461</u>	

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.
COMBINED STATEMENT OF EXPENSES
Year Ended June 30, 2012

	United		Health Center		Community Services		TOTAL			
	BRA ^F	Way	VEGGI	General &		General &				
				Operating	Total	Admin		Total		
Personnel	\$ 47,960	\$ 20,000	\$ 16,000	\$ 211,550	\$ 13,027	\$ 224,577	\$ 169,016	\$ 56,000	\$ 225,016	\$ 533,553
Salaries and wages	-	-	-	-	200	200	6,862	200	7,062	7,262
Salaries, interns/other	11,843	-	-	7,119	1,727	8,846	12,378	5,400	17,778	38,467
Health insurance	4,165	-	-	13,471	250	13,721	22,076	4,284	26,360	44,246
Payroll taxes	63,968	-	16,000	232,140	15,204	247,344	210,332	65,884	276,216	623,528
Professional services	6,000	-	-	-	-	-	24,875	8,625	33,500	39,500
Accounting/auditing	-	-	1,360	4,000	10,000	14,000	28,365	64	28,429	43,789
Consultants	-	-	-	-	-	-	-	11,632	11,632	11,632
Legal	6,000	-	1,360	4,000	10,000	14,000	53,240	20,321	73,561	94,921
Operating services	-	-	-	-	-	-	3,650	-	3,650	3,650
Advertising/marketing	7,579	-	2,083	11,676	206	11,882	-	377	377	21,921
Dues/subscriptions	5,893	-	-	-	13,556	13,556	2,630	7,399	10,029	29,478
Insurance	-	-	-	-	-	-	-	2,258	2,258	2,258
Payroll and bank fees	-	-	-	-	352	352	2,149	5,122	7,271	8,214
Telephone/internet	591	-	-	120	-	120	-	-	-	120
Translations	14,063	-	2,083	11,796	14,114	25,910	8,429	15,156	23,585	65,641
Supplies	4,575	-	-	5,962	1,706	7,668	4,891	4,023	8,914	21,157
Office supplies	-	-	-	-	-	-	132	95	227	227
Postage	321	-	-	-	-	-	2,800	499	3,299	3,620
Printing/copying	-	-	27,993	-	-	-	2,078	-	2,078	30,071
Other	4,896	-	27,993	5,962	1,706	7,668	9,901	4,617	14,518	55,075
Occupancy	3,600	-	-	1,400	11,660	13,060	2,000	900	2,900	19,560
Rent	1,403	-	-	-	1,852	1,852	1,934	26	1,960	5,215
Utilities	5,003	-	-	1,400	13,512	14,912	3,934	926	4,860	24,775

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.
COMBINED STATEMENT OF EXPENSES
Year Ended June 30, 2012

	BRA.F.	United Way		Health Center			Community Services		
		VEGGI	Operating	General & Admin	Total	Operating	General & Admin	Total	
Travel/Meetings	-	-	10,114	1,369	11,483	1,630	1,070	2,700	14,183
Conferences/regis,	-	-	360	-	360	3,397	861	4,258	4,618
Meeting costs	-	-	-	-	-	25	271	296	296
Parking	-	-	-	-	-	4,913	-	4,913	4,913
Staff develop/training	-	-	29,870	7,108	36,978	14,110	1,006	15,116	56,444
Travel	472	3,878	40,344	8,477	48,821	24,075	3,208	27,283	80,454
Equipment	1,800	12,678	15,118	-	15,118	14,394	391	14,785	44,381
Interest expense	-	-	-	-	-	10,175	-	10,175	10,175
Taxes/ licenses	-	-	-	23,117	23,117	-	235	235	23,352
Licenses/permits	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	937	102	-	102	2,431	4,923	7,354	8,393
Other expenses	-	2,431	-	-	-	-	-	-	2,431
Purchases for resale	-	3,368	102	-	102	2,431	4,923	7,354	10,824
Direct assistance	-	-	-	-	-	-	-	-	265,933
Direct assist to fisherfolks	265,933	-	-	-	-	-	-	-	-
Depreciation/amortization	-	-	-	31,330	31,330	-	3,256	3,256	34,586
Other clinic expenses	-	-	-	29,557	29,557	-	-	-	29,557
Coding, billings, collect	-	-	22,831	-	22,831	-	-	-	22,831
LabCorp Services	-	-	4,182	-	4,182	-	-	-	4,182
Stericycle	-	-	22,153	-	22,153	-	-	-	22,153
Supplies/materials	-	-	-	3,138	3,138	-	-	-	3,138
TeleMed communications	-	-	322,047	-	322,047	-	-	-	322,047
Prof service agreement	-	-	371,213	32,695	403,908	-	-	-	403,908
TOTAL	\$ 362,135	\$ 20,000	\$ 67,360	\$ 682,075	\$ 150,155	\$ 336,911	\$ 118,917	\$ 455,828	\$ 1,737,553

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the Board of Directors
MQVN Community Development Corporation, Inc.

We have audited the financial statements of MQVN Community Development Corporation, Inc. (a nonprofit corporation) as of and for the year ended June 30, 2012, and have issued our report thereon dated March 7, 2013. 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 MQVN Community Development Corporation, Inc.'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 MQVN Community Development Corporation, Inc.'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 organization's financial statements will not be prevented and corrected on a timely basis.

Our consideration of the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MQVN Community Development Corporation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and which are described in the accompanying schedules of findings and responses as item 2012-1.

This report is intended for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Cassio + Schmitt, L.L.C.

Metairie, Louisiana
March 7, 2013

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2012

A. Summary of Auditor's Results

1. The auditor's report expresses a qualified opinion on the financial statements.
2. No significant deficiencies in internal control were disclosed by the audit of the financial statements are reported in the *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*.
3. One instance of noncompliance material to the financial statements was noted.

B. Findings and Responses - Financial Statement Audit

Finding

2012 - 1 **Financial Statements - Late Filing**

Condition: MQVN Community Development Corporation, Inc. did not file it's financial statements timely.

Criteria: The financial statements should be submitted to the Louisiana Legislative Auditor within six months of the year end.

Questioned Costs: None

Effect: The financial statements were not timely filed.

Recommendation: That the financial statements be timely filed.

Response: See below.

Response

Finding 2012 - 1

MQVN Community Development Corporation, Inc. has contracted with an accounting firm to prepare its financial statements, which will be submitted to the Legislative Auditors timely in the future.

MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

SCHEDULE OF FINDINGS AND RESPONSES - Continued

Year Ended June 30, 2012

C. Status of Prior Year Audit Findings

	<u>Unresolved</u>	<u>Current Audit Findings</u>
2011 - 1 Financial statements - late filing	X	2012-1

D. Management Letter

A management letter was not issued for the current year.

E. Questioned Costs

There were no questioned costs for the year ended June 30, 2012.