



CPA & CONSULTING
SERVICES, LLC

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**United Citizens and Neighborhoods, Inc
Accountant's Review and Attestation Reports,
With Financial Statements and
Notes to the Financial Statements**

For The Year Ended December 31, 2012

Deemer CPA & Consulting Services, LLC

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
United Citizens and Neighborhoods, Inc.
Shreveport, Louisiana

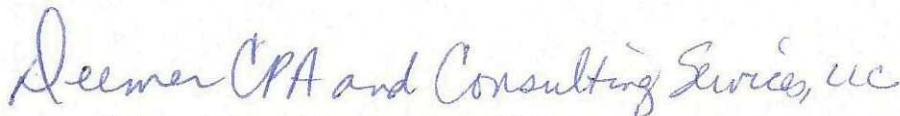
I have reviewed the accompanying statement of financial position of United Citizens and Neighborhoods, Inc. (a nonprofit organization) as of December 31, 2012, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to 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, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My 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 me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

I with the Louisiana Governmental Audit Guide and the provisions of state law have issued a report dated October 7, 2013, on the results of my agreed upon procedures.



Deemer CPA and Consulting Services, LLC

New Orleans, Louisiana

October 7, 2013

United Citizens and Neighborhoods, Inc.

Statement of Financial Position

As of December 31, 2012

ASSETS

General Operating
Account

\$ 1,002

Total Assets

1,002

LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted Net Assets

1,002

Total Net Assets

\$ 1,002

United Citizens and Neighborhoods, Inc.

Statement of Activities

For the Year Ended

December 31, 2012

Revenues, Contributions, and Support	
Non Profit Income	\$ 275,391
Contribution Income	<u>1,185</u>
Total Revenues, Contributions and Support	276,551
Expenses	
Program Services	<u>275,564</u>
Total Expenses	<u>275,564</u>
Increase in Net Assets	1,012
Net Assets December 31, 2011	<u>(5.00)</u>
Net Assets December 31, 2012	<u>\$ 1,007</u>

The accompanying notes are an integral part of the financial statements

United Citizens and Neighborhoods, Inc.

Statement of Cash Flows

For the Year Ended
December 31, 2012

Cash Flows from Operating Activities		
Increase in Net Assets	\$	1007
Adjustments to reconcile net assets to net cash provided by operations		
Decrease in accounts payable		(5)
Net Cash Provided by Operations		1,002
Cash beginning of the period		<u>-</u>
Cash at the end of the period	\$	<u><u>1,002</u></u>

Notes to Financial Statements

December 31, 2012

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

United Citizens and Neighborhoods, Inc. is a nonprofit corporation organized under the laws of the State of Louisiana. The Organization provides healthy meals to children through the Summer Food Service Program which is administered by the State of Louisiana on behalf of the United States Department of Agriculture. The Organization serves children in Shreveport, LA.

Basis of Accounting

The financial statements of United Citizens and Neighborhoods, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles general accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958 (formerly SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. The Organization has elected to present a classified statement of financial position, under ASC 958; the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents, as stated for cash flow purposes, consist of non-interest bearing bank accounts and highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

United Citizens and Neighborhoods, Inc.

Net Assets

Net assets are included in one of the following three classes of net assets, depending on the presence and type of donor-imposed restrictions.

- *Unrestricted Net Assets* – Net assets not subject to donor-imposed restrictions.
- *Temporarily-restricted Net Assets* – Net assets subject to donor-imposed restrictions that may be met either by an action and/or through the passage of time. As of December 31, 2012, Net assets included no temporarily restricted net assets.
- *Permanently-restricted Net Assets* – Net assets subject to donor-imposed restrictions that will not expire through the passage of time and/or an action. As of December 31, 2012, Net Assets included no permanently restricted net assets.

Economic Dependency

Approximately 99% of the Agency's funding is federal funds passed-through the State of Louisiana's Department of Education.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, program and support service expenses are specifically identified with or allocated to the Agency's various functions.

Income Tax Status

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509 (a)(1) of the Code is subject to federal income tax. The Agency currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

The Organization has adopted the provisions of FASB ASC 740-10-25. Under FASB ASC 740-10-25, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of this standard has no impact on the Organization's financial statements. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. No interest or penalties were accrued as of December 31, 2012, as a result of the adoption of FASB ASC 740-10-25. For the years ended December 31, 2011 and December 31, 2010 there were no interest or penalties recorded or included in its financial statements. The Organization is no longer subject to income tax examination by U.S. federal, state, or local tax authorities for tax years prior to 2009.

United Citizens and Neighborhoods, Inc.

NOTE 2. SUMMARY OF FUNDING

United Citizens and Neighborhoods, Inc. administered for 2012:

	<u>Amount</u>
Louisiana Department of Education USDA Summer Food Service Program For Children	\$ 275,391.00

NOTE 3. RELATED PARTY TRANSACTIONS

The Organization purchased catering services from a company that is owned and operated by an immediate family relation of several members of the Board of Directors. The organization expended \$175,988.00 with the company to provide meals for the Summer Food Service Program. The Louisiana Board of Ethics is currently reviewing the Organization concerning the related party transactions, there has been no decision made at this time.

NOTE 3. COMMITMENTS

The program administered by the United Citizens and Neighborhoods, Inc. does not have any significant outstanding commitments as of December 31, 2012.

NOTE 4. CONTINGENCIES

As of December 31, 2012, there were no matters relating to existing or possible litigation, questioned costs nor refunds of grant proceeds.

NOTE 5. SUBSEQUENT EVENTS

Events subsequent to December 31, 2012, through the date of this attestation report have been evaluated by management. We were informed that there were no matters requiring disclosure.

Statement of Functional Expenses

For the Year Ended
December 31, 2012

Summer Food Service Program	
Dues and Subscriptions	\$ 111
Food/Catering Cost/Summer Feeding	246,787
Meals and Entertainment	107
Postage	23
Rent or Lease Expense	8,000
Salaries/Summer Feeding Workers	16,083
Supplies	981
Travel	137
Accounting Fees	2,000
Telephone, Telecommunications	200
Miscellaneous Expenses	1,135
Total Expenses	\$ <u>275,564</u>

Louisiana Attestation Questionnaire

United Citizens and Neighborhoods, Inc.
1511 Oakdale St
Shreveport, LA 71108

October 7, 2013

Deemer CPA & Consulting Services, LLC
P.O. Box 870847
New Orleans, LA 70187

In connection with your review of our financial statements as of December 31, 2012 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, I make the following representations to you. I accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. I have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

I have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

I have complied with all applicable specific requirements of all federal, state, and local programs I administer, to include matters contained in the OMB Compliance Supplement, matters

contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Yes No

Budget

For each federal, state, and local grant I have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No


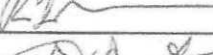
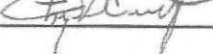
Prior Year Comments

I have resolved all prior-year recommendations and/or comments.

Yes No

I have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. I have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

I 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. I 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>R. J. Williams</u>		Secretary	<u>9/25/2013</u>	Date
<u>R. J. Williams</u>		Treasurer	<u>9/25/2013</u>	Date
<u>Lynn D. Cawthorne</u>		President	<u>9/25/2013</u>	Date

Independent Accountant's Report On Applying Agreed-Upon Procedures

United Citizens and Neighborhoods, Inc.
Shreveport, Louisiana 71108

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of United Citizens and Neighborhoods, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor Organization/agencies solely to assist the users in evaluating management's assertions about United Citizens and Neighborhoods, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2012 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, I 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.

United Citizens and Neighborhoods, Inc.'s Federal award expenditures for all Federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
USDA Summer Food Service Program for Children, <i>pass through</i> , State of Louisiana	2012	10.559	\$275,559
Total Expenditures			<u>\$275,559</u>

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

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

Each of the six payments was properly coded to the correct general ledger account.

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

All items selected in procedure 3 showed evidence of proper approval with the exception of 1 item. The invoice did not show evidence that the expense had been properly approved and did not indicate that it had been cancelled to prevent reuse.

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

Activities allowed are unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed and determined that each payment did comply with allowability requirements.

Eligibility

I reviewed the previously listed disbursements for eligibility requirements and determined that each payment did comply with eligibility requirements.

Reporting

I reviewed the previously listed disbursements for reporting requirements and determined that each payment did comply with reporting requirements.

7. For the program selected for testing in item (2), there is no required close-out report.

Meetings

8. I 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).

United Citizens and Neighborhoods, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of their office building. Management has provided evidence that minutes were properly maintained and scheduled meetings were properly posted.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, I 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.

United Citizens and Neighborhoods, Inc. provided a comprehensive budget to the applicable state grantor agencies for the program mentioned previously. This budget 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. Review of prior year suggestions, recommendations, and/or comments to determine to the extent to which such matters have been resolved.

In the agreed upon procedures engagement for the year ended December 31, 2011, the prior auditor reported the following:

Finding 11-01

There are payments made to independent contractors for hours worked; and there are no time sheets to indicate that the payment amount and payee for the period agree. This comment has been resolved by management.

Finding 11-02

There are payments made to independent contractors in which there are no time sheets with personnel and supervisor signature to reflect proper approval. This comment has been resolved by management.

Finding 11-03

The agenda for the board meetings was not posted in a public manner as an open meeting. This comment has been resolved by management.

I was 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, I do not express such an opinion. Had I 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 United Citizens and Neighborhoods, 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 procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor.


Deemer CPA & Consulting Services, LLC
New Orleans, Louisiana
October 7, 2013

Schedule of Current Year Findings and Questioned Costs

The federal award program is 10.599 United States Department of Agriculture, Summer Food Service Program for Children administered by the Louisiana Department of Education with passed through funding.

Finding 12-01

Criteria: Lack of proper approval.

Condition: One payment was made to an independent contractor in which there was no evidence that the vendor invoice was properly approved.

Questioned Costs: None

Context: I selected 6 disbursements from the agreed upon procedures and found that 1 disbursement for contract services did not indicate proper approval for payment. Also, the vendor invoice was not cancelled to prevent reuse.

Recommendation: I recommend that management ensures that all vendor invoice indicate proper approval for payment by having the person authorizing the payment sign or initial and date the on the face of the vendor invoice to indicate the invoice has been properly approved. In addition, the invoice should be marked "paid" to prevent reuse.

Management's views and responses

Contact Person: President

Corrective Action Planned: We plan to ensure that all documents submitted for payment include the authorized person's signature and date to reflect proper authorization for payment. We will also mark all documents as paid.

Anticipated completion date: Immediately