

**Macon Economic Opportunity, Inc.
Oak Grove, Louisiana**

Financial Statements

As of and for the Years Ended December 31, 2011 and 2010

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 OCT 17 2012

Macon Economic Opportunity, Inc
Oak Grove, Louisiana

Table of Contents

	<u>Page No</u>
Independent Accountants' Review Report	1
Financial Statements:	
Statements of Financial Position December 31, 2011 and 2010	2
Statements of Activities For the Years Ended December 31, 2011 and 2010	3
Statement of Functional Expenses	
For the Year Ended December 31, 2011	4
For the Year Ended December 31, 2010	5
Statements of Cash Flows For the Years Ended December 31, 2011 and 2010	6
Notes to Financial Statements	7 – 9
Schedule of Prior Year Findings for Louisiana Legislative Auditor	10
Schedule of Current Year Findings for Louisiana Legislative Auditor	10

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Independent Accountants' Review Report

To the Board of Directors
Macon Economic Opportunity, Inc
Oak Grove, Louisiana

We have reviewed the accompanying statements of financial position of Macon Economic Opportunity, Inc (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. 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 accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews 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 reviews, 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 accounting principles generally accepted in the United States of America.



Cook & Morehart
Certified Public Accountants
September 29, 2012

Macon Economic Opportunity, Inc
Oak Grove, Louisiana
Statements of Financial Position
December 31, 2011 and 2010

Assets	<u>2011</u>	<u>2010</u>
Current assets		
Cash	\$ 300	\$ 5,750
Grant receivables	1,547	
Total current assets	<u>1,847</u>	<u>5,750</u>
Total Assets	<u>\$ 1,847</u>	<u>\$ 5,750</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 484	\$ 584
Refundable advances		5,214
Total current liabilities	<u>484</u>	<u>5,798</u>
Net assets (deficit)		
Unrestricted	<u>1,363</u>	<u>(48)</u>
Total net assets	<u>1,363</u>	<u>(48)</u>
Total Liabilities and Net Assets	<u>\$ 1,847</u>	<u>\$ 5,750</u>

See accompanying notes and independent accountants' review report.

Macon Economic Opportunity, Inc
Oak Grove, Louisiana
Statements of Activities
For the Years Ended December 31, 2011 and 2010

	Unrestricted	
	2011	2010
Revenues and Other Support		
Contractual revenue - federal and state grants	\$ 235,166	\$ 450,606
Miscellaneous revenues	3,524	5,255
	238,690	455,861
Expenses		
Program services	194,455	375,805
General administration	42,824	83,218
	237,279	459,023
Changes in net assets	1,411	(3,162)
Net assets (deficit) as of beginning of year	(48)	3,114
Net assets (deficit) as of end of year	\$ 1,363	\$ (48)

See accompanying notes and independent accountants' review report.

Macon Economic Opportunity, Inc
Oak Grove, Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2011

Expenses:	<u>Program Services</u>	<u>General Administration</u>	<u>Total</u>
Salaries and wages	\$ 49,053	\$ 19,441	\$ 68,494
Payroll taxes	6,867	2,387	9,254
Insurance		1,836	1,836
Client assistance payments	133,702		133,702
Building rent	1,800	1,800	3,600
Supplies	35	1,417	1,452
Internet service	114	859	973
Utilities		5,034	5,034
Travel	1,368	2,154	3,522
Telephone		3,766	3,766
Postage and delivery		379	379
Advertising	253	225	478
Other	1,263	3,526	4,789
Total expenses	<u>\$ 194,455</u>	<u>\$ 42,824</u>	<u>\$ 237,279</u>

See accompanying notes and independent accountants' review report.

Macon Economic Opportunity, Inc
Oak Grove, Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2010

Expenses	Program Services	General Administration	Total
Salaries and wages	\$ 98,947	\$ 50,957	\$ 149,904
Payroll taxes and workers compensation	18,047	9,792	27,839
Insurance	209	1,747	1,956
Client assistance payments	246,875		246,875
Building rent	800	4,400	5,200
Supplies	1,575	1,997	3,572
Internet service	203	526	729
Utilities		4,824	4,824
Travel	2,107	1,802	3,909
Telephone		3,060	3,060
Postage and delivery	380		380
Advertising	342	628	970
Other	6,320	3,485	9,805
Total expenses	\$ 375,805	\$ 83,218	\$ 459,023

See accompanying notes and independent accountants' review report.

Macon Economic Opportunity, Inc
Oak Grove, Louisiana
Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

	2011	2010
Operating activities		
Changes in net assets	\$ 1,411	\$ (3,162)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in operating assets:		
Grant receivables	(1,547)	28,980
Increase (decrease) in operating liabilities:		
Accounts payable	(100)	(25,996)
Refundable advances	(5,214)	(1,921)
Net cash (used in) operating activities	(5,450)	(2,099)
 Net increase (decrease) in cash	 (5,450)	 (2,099)
Cash as of beginning of year	5,750	7,849
Cash as of end of year	\$ 300	\$ 5,750

See accompanying notes and independent accountants' review report.

Macon Economic Opportunity, Inc
Oak Grove, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010

(1) **Summary of Significant Accounting Policies**

A Nature of Activities

Macon Economic Opportunity, Inc. (MEO) is a private non-profit corporation incorporated under the laws of the State of Louisiana. A Board of Directors composed of 15 members governs MEO. The Board members were not paid any compensation or per diem to serve on the Board. MEO operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged. The following programs are administered by MEO:

Community Services Block Grant – Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Workforce Commission.

Home Energy Assistance – Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Association of Community Action Partnerships, Inc.

B Basis of Accounting

The financial statements of MEO have been prepared on the accrual basis of accounting.

C Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its 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 its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D Income Tax Status

MEO is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to MEO's tax-exempt purpose would be subject to taxation as unrelated business income. There was no unrelated business income for the years ended December 31, 2011 and 2010.

The Form 990, "Return of Organization Exempt from Income Taxes" for MEO for the years ended December 31, 2008, 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

E 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.

(Continued)

Macon Economic Opportunity, Inc.
Oak Grove, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

F Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, MEO considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents

G Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions

H Fixed Assets

MEO's fixed asset capitalization policy is to capitalize fixed assets with a cost of \$2,500 per unit. There were no fixed assets at December 31, 2011 and 2010.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject MEO to concentrations of credit risk consist principally of temporary cash investments and grant receivables

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of December 31, 2011 and 2010, MEO had no significant concentrations of credit risk in relation to grant receivables

MEO maintains cash balances at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2011 and 2010 total cash balances held at financial institutions were secured by FDIC insurance

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at December 31, 2011 and 2010, but received after those dates

(4) Refundable Advances

MEO records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source

(Continued)

Macon Economic Opportunity, Inc
Oak Grove, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

(5) Contractual Revenue – Grants

During the years ended December 31, 2011 and 2010, MEO received contractual revenue from federal and state grants in the amount of \$235,168 and \$450,606, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(6) Leases

MEO leases a building under an operating lease. Rental costs on this lease for the years ended December 31, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Building	\$ <u>5,200</u>	\$ <u>3,600</u>

There were no lease agreements that had noncancelable initial terms in excess of one year.

(7) Subsequent Event

Subsequent events have been evaluated through September 29, 2012, the date the financial statements were available to be issued.

**Macon Economic Opportunity, Inc
Oak Grove, Louisiana
Schedule for Louisiana Legislative Auditor
December 30, 2011 and 2010**

Schedule of Prior Year Findings

Reference No.	2010-1 Late Submission of Review Report
Description of Finding	The Organization did not submit its required review report timely for the year ended December 31, 2009, in accordance with the State audit law
Recommendation:	We recommend the Organization implement procedures to ensure the timely submission of its reporting requirements in the future
Current Status.	See Repeat finding

Schedule of Current Year Findings

Reference No.	2011-1 Late Submission of Review Report
Description of Finding	The Organization did not submit its required review report timely for the year ended December 31, 2011, in accordance with the State audit law
Recommendation:	We recommend the Organization implement procedures to ensure the timely submission of its reporting requirements in the future
Management's Response	Management will make every effort to comply with its reporting requirements in the future

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

9-29-12 (Date Transmitted)

COOK + MOREHART, CPAs

P.O. Box 78240
SHREVEPORT, LA 71137-8240 (Auditors)

In connection with your review of our financial statements as of 12-31-11 and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We 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) 9-29-12

Federal, State, and Local Awards

We 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

We have complied with all applicable specific requirements of all federal, state, and local programs we 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. 42:11 through 42:28 (the open meetings law).

Yes No

Budget

For each federal, state, and local grant we 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

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.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
<i>John M. Miller</i>	President	<i>9/29/12</i>	Date
<i>Alantha Mae Sanders</i>	Executive Director	<i>9/29/12</i>	

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**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

**Aurtha Mae Sanders
Executive Director
Macon Economic Opportunity, Inc**

We have performed the procedures enumerated below, which were agreed to by the Macon Economic Opportunity, Inc and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Macon Economic Opportunity, Inc's compliance with certain laws and regulations for the year ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with *Statements on Standards for Attestation Engagements*, issued by the American Institute of Certified Public Accountants and applicable provisions of *Government Auditing Standards* published by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of the parties specified in 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.

Federal, State, and Local Awards

- 1 Determine the amount of federal, state, and local awards expenditures for 2011 by grant and grant year

<u>Grant</u>	<u>Grant Year</u>	<u>Expenditures December 31, 2011</u>
Community Services Block Grant Louisiana Workforce Commission 2010N0037	09/30/2011	7,317
Community Services Block Grant Louisiana Workforce Commission 2011N0037	09/30/2012	74,482
Community Services Block Grant Louisiana Workforce Commission 2012N0037	09/30/2013	16,547
Home Energy Assistance Program Louisiana Association of Community Action Partnerships, Inc	09/30/2011	136,820

- 2 For each federal, state, and local award for 2011

Randomly select 6 disbursements from each award administered during 2011 and

- a Trace the disbursements selected to supporting documentation as to proper amount and payee

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

- b Determine whether the disbursements selected were properly coded to the correct fund and general ledger account

All disbursements selected were properly coded to the correct fund and general ledger account

- c Determine whether the disbursements selected received approval from proper authorities

All disbursements selected received approval from proper authorities

- d For federal awards, determine whether the disbursements selected comply with the applicable specific 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 selected comply with the grant agreement relating to 1) activities allowed or allowable, 2) eligibility, or 3) reporting

All disbursements selected complied with the applicable specific compliance requirements summarized in the Compliance Supplement if federal awards, and grant agreement if state or local awards

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

For the programs selected for testing in item (2) that were closed out during 2011, we compared the close-out report with the entity's financial records and determined that the amounts agree

- 4 Open Meetings – Examine evidence that agendas for meetings recorded in the minute book were posted as an open meeting as required by R S 42 1 through 42 13 (the open meetings law)

Macon Economic Opportunity, Inc posted its meetings and agendas as required by R S 42 1 through 42 13 (the open meetings law).

- 5 Budget – For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agencies was provided 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

For grants exceeding five thousand dollars a comprehensive budget was provided including purpose and duration Also, for state grants those budgets included specific goals and objectives

- 6 Prior Comments and Recommendations – Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved

There were no prior year comments, suggestions, or recommendations

We were not engaged to, and did not, conduct an 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 Macon Economic Opportunity, Inc and the Legislative Auditor, State of Louisiana, 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.



Cook & Morehart
Certified Public Accountants
September 29, 2012