

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

Financial Statements

As of and for the Years Ended December 31, 2010 and 2009

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 8/10/11

Macon Economic Opportunity, Inc.
Oak Grove, Louisiana

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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, 2010 and 2009, 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 review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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



Cook & Morehart
Certified Public Accountants
July 14, 2011

Macon Economic Opportunity, Inc.
Oak Grove, Louisiana
Statements of Financial Position
December 31, 2010 and 2009

Assets	2010	2009
Current assets:		
Cash	\$ 5,750	\$ 7,849
Grant receivables		28,980
Total current assets	5,750	36,829
Total Assets	\$ 5,750	\$ 36,829
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 584	\$ 26,580
Refundable advances	5,214	7,135
Total current liabilities	5,798	33,715
Net assets (deficit):		
Unrestricted	(48)	3,114
Total net assets	(48)	3,114
Total Liabilities and Net Assets	\$ 5,750	\$ 36,829

See accompanying notes and independent accountants' review report.

Macon Economic Opportunity, Inc.
Oak Grove, Louisiana
Statements of Activities
For the Years Ended December 31, 2010 and 2009

	<i>Unrestricted</i>	
	2010	2009
Revenues and Other Support:		
Contractual revenue - federal and state grants	\$ 450,606	\$ 224,458
Miscellaneous revenues	5,255	10,269
Total revenues and other support	455,861	234,727
Expenses:		
Program services	375,805	168,512
General administration	83,218	41,216
Total expenses	459,023	209,728
Changes in net assets	(3,162)	24,999
Net assets (deficit) as of beginning of year	3,114	(21,885)
Net assets (deficit) as of end of year	\$ (48)	\$ 3,114

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:	<u>Program Services</u>	<u>General Administration</u>	<u>Total</u>
Salaries and wages	\$ 98,947	\$ 50,957	\$ 149,904
Payroll taxes	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	<u>\$ 375,805</u>	<u>\$ 83,218</u>	<u>\$ 459,023</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, 2009

Expenses:	Program Services	General Administration	Total
Salaries and wages	\$ 32,415	\$ 23,790	\$ 56,205
Payroll taxes	3,207	2,354	5,561
Insurance		1,899	1,899
Client assistance payments	120,417		120,417
Building rent	1,600	1,600	3,200
Supplies	2,224	408	2,632
Internet service	64	954	1,018
Utilities	2,076	2,076	4,152
Travel	1,160	2,669	3,829
Telephone	1,706	1,705	3,411
Postage and delivery	260	115	375
Advertising	389	653	1,042
Other	2,994	2,993	5,987
Total expenses	\$ 168,512	\$ 41,216	\$ 209,728

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, 2010 and 2009

	2010	2009
Operating activities		
Changes in net assets	\$ (3,162)	\$ 24,999
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in operating assets:		
Grant receivables	28,980	(25,692)
Increase (decrease) in operating liabilities:		
Accounts payable	(25,996)	1,057
Refundable advances	(1,921)	7,136
	(2,099)	7,499
Net increase (decrease) in cash	(2,099)	7,499
Cash as of beginning of year	7,849	350
Cash as of end of year	\$ 5,750	\$ 7,849

See accompanying notes and independent accountants' review report.

Macon Economic Opportunity, Inc.
Oak Grove, Louisiana
Notes to Financial Statements
December 31, 2010 and 2009

(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, 2010 and 2009.

The Form 990, "Return of Organization Exempt from Income Taxes" for MEO for the years ended December 31, 2006, 2007, 2008, and 2009 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, 2010 and 2009
(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, 2010 and 2009.

(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, 2010 and 2009, 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, 2010 and 2009 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, 2010 and 2009, but received after that date.

(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, 2010 and 2009
(Continued)

(5) Contractual Revenue – Grants

During the years ended December 31, 2010 and 2009, MEO received contractual revenue from federal and state grants in the amount of \$450,806 and \$224,458, 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, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Building	<u>\$ 5,200</u>	<u>\$ 3,200</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 July 14, 2011, the date the financial statements were available to be issued.

Macon Economic Opportunity, Inc.
Oak Grove, Louisiana
Schedule for Louisiana Legislative Auditor
December 30, 2010 and 2009

Schedule of Prior Year Findings

There were no management letter comments or findings for the prior year for the year ended December 31, 2008.

Schedule of Current 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.
Management's Response:	Management will make every effort to comply with its reporting requirements in the future.

COOK & MOREHART

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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 each year in the two year period ended December 31, 2010 included in the accompanying Louisiana Attestation Questionnaires. 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 2009 and 2010 by grant and grant year.

<u>Grant</u>	<u>Grant Year</u>	<u>Expenditures</u>	
		<u>Dec. 31, 2009</u>	<u>Dec. 31, 2010</u>
Community Services Block Grant Louisiana Workforce Commission	09/30/2009	80,406	1,135
Community Services Block Grant Louisiana Workforce Commission	09/30/2010		81,541
Community Services Block Grant Louisiana Workforce Commission	09/30/2011		4,786
Home Energy Assistance Program Louisiana Association of Community Action Partnerships, Inc.	09/30/2009	98,875	
Home Energy Assistance Program Louisiana Association of Community Action Partnerships, Inc.	09/30/2010	29,396	172,825
Home Energy Assistance Program Louisiana Association of Community Action Partnerships, Inc.	09/30/2011		71,447
ARRA Community Services Block Grant Louisiana Workforce Commission	10/31/2010		122,896

2. For each federal, state, and local award for 2009 and 2010:

Randomly select 6 disbursements from each award administered during 2009 and 2010 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 periods 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 2009 and 2010, 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
July 14, 2011

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

July 11, 2011 (Date Transmitted)

Cook & Morehart, CPAs
P. O. Box 78240
Shreveport, LA 71137
(Auditors)

In connection with your review of our financial statements as of December 31, 2010 and for each year in the two year period then ended, and as required by Louisiana Revised Statute 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 July 11, 2011.

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. 42:1 through 42:13 (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.

 Date _____ Treasurer _____

7-11-11 *Jack R. Madden* _____
 Date _____ President _____

7-11-11 *Arthur Mac Sanders* _____
 Date _____ Exec Director _____