

THE COMMUNITY CENTER OF ST. BERNARD

Financial Statements for the Years Ended

December 31, 2010 and 2009

Contents

Independent Accountant's Compilation Report	1
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Basic Financial Statements

Statements of Financial Position	2
Statement of Activities for the Year Ended December 31, 2010	3
Statement of Activities for the Year Ended December 31, 2009	4
Statement of Functional Expenses for the Year Ended December 31, 2010	5
Statement of Functional Expenses for the Year Ended December 31, 2009	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 11



Independent Accountant's Compilation Report

To the Board of Directors
The Community Center of St. Bernard

We have compiled the accompanying statements of financial position of The Community Center of St. Bernard (the Center) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Hienz & Macaluso, LLC
July 27, 2011

THE COMMUNITY CENTER OF BT. BERNARD
Statements of Financial Position
December 31, 2010 and 2009

	2010	2009
Assets		
Cash and Cash Equivalents	\$ 84,580	\$ 122,122
Grants Receivable	10,000	10,000
Other Receivables	1,302	-
Property, Plant and Equipment, Net	97,605	94,995
	<u>97,605</u>	<u>94,995</u>
Total Assets	\$ 193,487	\$ 227,117
	<u>\$ 193,487</u>	<u>\$ 227,117</u>
Liabilities and Net Assets		
Liabilities		
Payroll Taxes Payable	\$ 781	\$ 2,075
	<u>781</u>	<u>2,075</u>
Total Liabilities	781	2,075
	<u>781</u>	<u>2,075</u>
Net Assets		
Unrestricted	108,559	97,349
Temporarily Restricted	84,147	127,693
	<u>84,147</u>	<u>127,693</u>
Total Net Assets	192,706	225,042
	<u>192,706</u>	<u>225,042</u>
Total Liabilities and Net Assets	\$ 193,487	\$ 227,117
	<u>\$ 193,487</u>	<u>\$ 227,117</u>

See accompanying notes and independent accountant's report.

THE COMMUNITY CENTER OF ST. BERNARD
Statement of Activities
For the Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Grants	\$ -	\$ 95,464	\$ 95,464
Contributions	69,292	-	69,292
Other	408	-	408
Interest Income from Checking	389	-	389
Net Assets Released from Restrictions	139,010	(139,010)	-
Total Support and Revenue	209,099	(43,546)	165,553
Expenses			
Program Expenses			
Community Programs	172,118	-	172,118
Total Program Expenses	172,118	-	172,118
Supporting Services Expenses			
General and Administrative	24,320	-	24,320
Fundraising	1,451	-	1,451
Total Supporting Services Expenses	25,771	-	25,771
Total Expenses	197,889	-	197,889
Increase (Decrease) in Net Assets	11,210	(43,546)	(32,336)
Net Assets, Beginning of Year	97,349	127,693	225,042
Net Assets, End of Year	\$ 108,559	\$ 84,147	\$ 192,706

See accompanying notes and independent accountant's report.

THE COMMUNITY CENTER OF ST. BERNARD
Statement of Activities
For the Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Grants	\$ 5,112	\$ 67,745	\$ 72,857
Contributions	32,774	-	32,774
Interest Income from Checking	1,529	-	1,529
Net Assets Released from Restrictions	108,262	(108,262)	-
Total Support and Revenue	147,677	(40,517)	107,160
Expenses			
Program Expenses			
Community Programs	113,970	-	113,970
Total Program Expenses	113,970	-	113,970
Supporting Services Expenses			
General and Administrative	22,908	-	22,908
Total Supporting Services Expenses	22,908	-	22,908
Total Expenses	136,878	-	136,878
Increase (Decrease) in Net Assets	10,799	(40,517)	(29,718)
Net Assets, Beginning of Year	86,550	168,210	254,760
Net Assets, End of Year	\$ 97,349	\$ 127,693	\$ 225,042

See accompanying notes and independent accountant's report.

THE COMMUNITY CENTER OF ST. BERNARD
Statement of Functional Expenses
For the Year Ended December 31, 2010

Programs	
Auto Expense	\$ 1,823
Casual Labor	4,610
Depreciation	3,944
Donated Supplies	16,236
Dues and Subscriptions	100
Entertainment	500
Housing Allowance	2,000
Insurance	6,713
Meal Basket	4,405
Meals & Entertainment	500
Office Expense	18,417
Payroll Taxes	4,075
Postage	409
Rent	10,821
Repairs & Maintenance	8,345
Salaries	53,149
Sanitation	392
Subcontractors	10,614
Supplies	13,846
Telephone	1,316
Utilities	9,903
Total Program Expense	<u>\$ 172,118</u>

General and Administrative Expenses	
Bank Charges	\$ 50
Casual Labor	1,153
Depreciation	696
Donations	98
Dues & Subscriptions	287
Filing Fees	725
Insurance	596
Office expense	7,570
Postage	409
Rent	2,705
Repairs and Maintenance	2,086
Supplies	3,462
Taxes and Licenses	106
Telephone	1,316
Travel	585
Utilities	2,476
Total General and Administrative Expenses	<u>\$ 24,320</u>

Fundraising Expenses	
Travel	\$ 1,451
Total Fundraising Expenses	<u>\$ 1,451</u>

See accompanying notes and independent accountant's report.

THE COMMUNITY CENTER OF ST. BERNARD
Statement of Functional Expenses
For the Year Ended December 31, 2009

Programs	
Auto Expense	\$ 2,310
Casual Labor	5,127
Depreciation	2,140
Donated Supplies	21,574
Dues and Subscriptions	113
Insurance	7,495
Meal Basket	2,988
Meals & Entertainment	500
Office Expense	6,563
Payroll Taxes	567
Rent	7,200
Repairs & Maintenance	20,750
Salaries	7,410
Subcontractors	22,060
Supplies	1,541
Telephone	1,195
Travel	57
Utilities	4,380
Total Program Expense	<u>\$ 113,970</u>

General and Administrative Expenses	
Bank Charges	\$ 104
Depreciation	535
Donations	93
Dues & Subscriptions	3,273
Freight	153
Housing Allowance	2,200
Insurance	2,549
Meal Basket	861
Office expense	1,640
Payroll Taxes	142
Postage	293
Professional Fees	5,500
Repairs and Maintenance	1,038
Salaries	1,853
Supplies	385
Telephone	1,194
Utilities	1,095
Total General and Administrative Expenses	<u>\$ 22,908</u>

See accompanying notes and independent accountant's report.

THE COMMUNITY CENTER OF ST. BERNARD
Statements of Cash Flows
For the Years Ended December 31 , 2010 and 2009

	2010	2009
Reconciliation of Increase (Decrease) in Net Assets to Net		
Cash Used by Operating Activities		
Increase (Decrease) in Net Assets	\$ (32,336)	\$ (29,718)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	4,640	2,675
(Increase) in Other Receivables	(1,302)	-
(Increase) Decrease in Prepaid Insurance	-	890
Increase (Decrease) in Payroll Taxes Payable	(1,294)	2,075
Net Cash Used by Operating Activities	<u>(30,292)</u>	<u>(24,078)</u>
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(7,250)	(54,556)
Net Cash Used by Investing Activities	<u>(7,250)</u>	<u>(54,556)</u>
Net Decrease in Cash and Cash Equivalents	(37,542)	(78,634)
Cash and Cash Equivalents, Beginning of Year	<u>122,122</u>	<u>200,756</u>
Cash and Cash Equivalents, End of Year	<u>\$ 84,580</u>	<u>\$ 122,122</u>

See accompanying notes and independent accountant's report.

**THE COMMUNITY CENTER OF ST. BERNARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 1. Summary of Significant Accounting Policies

The Community Center of St. Bernard (the Center) is a not-for-profit organization which assists local residents by providing a wide range of necessary community services, including free food, clothes, internet access, free long distance and local phone service, computer classes, hot meals, laundry service, and community events such as after school programs and workshops. The Center's primary sources of revenues are grants and contributions from private donors. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The Center prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

The Center reports information regarding its financial position and activities according to two classes of net assets: unrestricted net assets, and temporarily restricted net assets.

Contributions

The Center records contributions received as increases in unrestricted or temporarily restricted net assets, depending on the existence or nature of any donor restrictions.

Contributions that are restricted by the donors are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets, depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are capitalized at cost. It is the Center's policy to capitalize expenditures for these items in excess of \$150. Lesser amounts are expensed. Furniture and equipment are being depreciated over estimated useful lives of five to seven years using a straight-line method. Leasehold improvements are being depreciated over an estimated useful life of 39 years using straight-line method.

**THE COMMUNITY CENTER OF ST. BERNARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 1. Summary of Significant Accounting Policies (Continued)

Statement of Cash Flows

For the purpose of the Statement of Cash Flows, the Center considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Income Taxes

The Center is exempt from Federal and State of Louisiana income taxes as a not-for-profit organization under Code Section 501(c)(3).

Donated Items

Numerous items such as food, clothes, toys, and household items are donated to the Center. These items are included in contributions and stated at fair market value. The value of these contributions for the years ended December 31, 2010 and 2009 was estimated to be \$16,236 and \$21,574, respectively.

Note 2. Grants Receivable

Grants receivable as of December 31, 2010 and 2009, are as follows:

	2010	2009
Grants Receivable:		
United Way	\$ <u>10,000</u>	\$ <u>10,000</u>
Total Receivable	\$ <u><u>10,000</u></u>	\$ <u><u>10,000</u></u>

Note 3. Furniture, Equipment and Leasehold Improvements

The following is a summary of furniture, equipment and leasehold improvements, at cost, less accumulated depreciation for the years ended December 31, 2010 and 2009:

	2010	2009
Office Equipment	\$ 3,937	\$ 3,487
Leasehold Improvements	91,841	85,041
Machinery & Equipment	4,800	4,800
Vehicles	<u>5,500</u>	<u>5,500</u>
	106,078	98,828
Less: Accumulated Depreciation	<u>(8,473)</u>	<u>(3,833)</u>
Total	\$ <u><u>97,605</u></u>	\$ <u><u>94,995</u></u>

The depreciation expense for the years ended December 31, 2010 and 2009 was \$4,640 and \$2,675, respectively.

**THE COMMUNITY CENTER OF ST. BERNARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 4. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following:

	2010	2009
Louisiana Family Recovery Corps	\$ 56,960	\$ 91,116
United Way	11,963	12,565
Hanover Rotary Club	236	236
Salvation Army	-	5,652
Jones Family	1,518	2,624
BCM	495	500
Union Pacific	8,000	8,000
Chapin Foundation	-	7,000
Entergy	558	-
Greater New Orleans Foundation Exxon	4,417	-
Total Temporarily Restricted Net Assets	<u>\$ 84,147</u>	<u>\$ 127,693</u>

Note 5. Release of Restricted Net Assets

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose and by satisfying the time restriction.

	2010	2009
Purpose Restriction Accomplished		
Mustard Seed	\$ 78,543	\$ 35,709
Renovations	-	49,652
Hot Meals	19,092	2,688
Laundry Service	68	4,865
Salaries	18,866	4,348
Other	15,000	10,000
Computers	441	-
Financial Literacy	7,000	-
Entertainment	-	1,000
Total Released	<u>\$ 139,010</u>	<u>\$ 108,262</u>

Note 6. Concentration of Credit Risk

The Center maintained balances with one financial institution. At times during the year, the amount may exceed the federally insured limits.

**THE COMMUNITY CENTER OF ST. BERNARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 7. Rent

The Center leases its space under the terms of an operating lease which expires on August 31, 2011. The Center also leased certain equipment during 2010. Total rent expense for the years ended December 31, 2010 and 2009 was \$13,526 and \$7,200, respectively. Future minimum lease payments under the office lease are as follows:

Year ending December 31	
2011	<u>\$ 5,600</u>
Total	<u>\$ 5,600</u>

Note 8. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 9. Donated Services

The Center receives a significant amount of donated services from unpaid volunteers who assist in operations. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

Note 10. Date of Management's Review

Management has evaluated subsequent events through July 27, 2011, the date the financial statements were available to be issued.

Note 11. Income Taxes

On January 1, 2009, the Center adopted the provisions of the *Accounting for Uncertainty in Income Taxes* topic of the Financial Accounting Standards Board Accounting Standards Codification which clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Center's tax returns. As a result of the adoption, the Center believes there was no impact to the financial statements and did not record an adjustment to beginning net assets on the statement of financial position.

All tax returns have been filed appropriately by the Center. The Center would recognize interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Center's open audit periods are 2008 – 2010. Management evaluated the Center's tax positions and concluded that the Center had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.