

L&A TRAIL, INC.

**FINANCIAL REPORT
DECEMBER 31, 2016**

L&A Trail, Inc.
Financial Report
December 31, 2016

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Johnson, Thomas & Cunningham

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
L&A Trail, Inc.
P.O. Box 176
Goldonna, LA 71031

Management is responsible for the accompanying financial statements of L&A Trail, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America, and the accompanying schedule of compensation, benefits and other payments to the executive director, which is presented only for supplementary analysis purposes. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements and supplementary schedule, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements and the supplementary schedule.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's
Natchitoches, LA 71457

February 14, 2017

L&A Trail, Inc.
Statement of Financial Position
December 31, 2016

Assets

Current Assets:

Cash	\$ 8,929
Accounts Receivable	<u>1,950</u>
Total Current Assets	\$ 10,879

Capital Assets:

Capital Assets (net of accumulated depreciation of \$72,114)	<u>330,780</u>
Total Assets	<u>\$341,659</u>

Liabilities & Net Assets

Net Assets:

Unrestricted Net Assets	<u>\$341,659</u>
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See independent accountant's compilation report.

L&A Trail, Inc.
Statement of Activities
For the Year Ended December 31, 2016

Support and Revenue:	
Memberships	\$ 10,900
State Grants	81,862
Pipeline Crossings	10,075
Contributions	150
RV Hookup Rentals	<u>230</u>
Total Revenues	<u>\$103,217</u>
Expenses:	
Program Expenses-	
Advertising	\$ 161
Auto Expenses	1,363
Bookkeeping	5,990
Trail Security	389
Legal & Professional Services	4,885
Donations & Gifts	100
Insurance	1,432
Office Expenses	1,083
Supplies	468
Utilities	1,787
Meals & Entertainment	128
Repairs & Maintenance	1,283
Depreciation	26,689
Miscellaneous	<u>563</u>
Total Expenses	<u>\$ 46,321</u>
Increase in Net Assets	\$ 56,896
Net Assets - Beginning of Year	<u>284,763</u>
Net Assets - End of Year	<u>\$341,659</u>

See independent accountant's compilation report.

L&A Trail, Inc.
Statement of Cash Flows
Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets	\$ 56,896
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	26,689
(Increase) Decrease in Receivables	<u>(1,425)</u>
Net Cash Provided by Operating Activities	\$ 82,160

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition & Construction of Capital Assets	<u>(101,700)</u>
Net Decrease in Cash	\$ 19,540
Cash at Beginning of Year	<u>28,469</u>
Cash at End of Year	\$ <u>8,929</u>

See independent accountant's compilation report.

NOTES TO FINANCIAL STATEMENTS

L&A Trail, Inc.
Notes to Financial Statements
December 31, 2016

Introduction:

The L&A Trail, Inc. was incorporated as a nonprofit organization on April 10, 2000, under the laws of the State of Louisiana. It is the mission of L&A Trails, Inc. to provide opportunities for individuals to participate in and embrace the beautiful natural landscape and outdoor activities along Louisiana Trails in northwest Louisiana. Louisiana Trails begins in the northwest town of Sibley and extends south and southeast as a 63-mile-long corridor to the City of Winnfield. L&A Trail, Inc. operates under an eight-member board of directors.

1. Significant Accounting Policies:

The accounting and reporting policies of L&A Trail, Inc., conform to generally accepted accounting principles as applicable to non-profit organizations, and are applied on a consistent basis between periods.

The following is a summary of certain significant accounting policies and practices:

- A. Financial Statement Presentation - L&A Trail, Inc. has adopted FASB Accounting Standard Codification 958-205 "Not-for-Profit Organizations." Under FASB ASC 958-205, L&A Trail, Inc. 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. In addition, L&A Trail, Inc. is required to present a statement of cash flows.
- B. Basis of Accounting - L&A Trail, Inc. uses the accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenses are generally recognized when they are incurred. Purchases of various operating supplies are regarded as expenses at the time purchased.
- C. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- D. Capital Assets - Depreciation on all exhaustible capital assets is charged as an expense against the operations of L&A Trail, Inc. Assets are recorded at cost if purchased or at market value at time of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the asset. Depreciation expense for the current year is \$26,689. Accumulated depreciation was \$72,114 at December 31, 2016.
- E. Long-Term Liabilities - L&A Trail, Inc. had no long-term debt as of December 31, 2016.
- F. Cash and Equivalents - For the purpose of the statements of cash flows, L&A Trail, Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

L&A Trail, Inc.
Notes to Financial Statements
December 31, 2016

- G. Income Taxes - L&A Trail, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. L&A Trail, Inc.'s Form 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2013 - 2016 are subject to examination by the IRS, generally for three years after they were filed.

2. Cash and Cash Equivalents:

The cash and cash equivalents of L&A Trail, Inc. are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, L&A Trail, Inc. will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by L&A Trail, Inc. that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in L&A Trail, Inc.'s name.

At December 31, 2016, cash and cash equivalents totaled \$8,929 (book balances). Bank balances at December 31, 2016 totaled \$9,409, all of which was secured by FDIC Insurance.

3. Compensation Paid to Board Members:

The members of the Board of Directors serve on a volunteer basis and receive no compensation for their services.

4. Capital Assets:

Capital Asset balances and activity for the year ended December 31, 2016, is as follows:

<u>Activities</u>	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/16</u>
Capital Assets Depreciated:				
Land Improvements	\$199,270	\$ 0	\$0	\$199,270
Equipment	<u>101,924</u>	<u>101,700</u>	0	<u>203,624</u>
Total Capital Assets	\$301,194	\$101,700	0	\$402,894
Less, Accumulated Depreciation:	<u>(45,425)</u>	<u>(26,689)</u>	<u>0</u>	<u>(72,114)</u>
Net Capital Assets	<u>\$255,769</u>	<u>\$ 75,011</u>	<u>\$0</u>	<u>\$330,780</u>

L&A Trail, Inc.
Notes to Financial Statements
December 31, 2016

5. Related Party Transactions:

No procedures were performed to search for related party transactions.

6. Subsequent Events:

No procedures were performed to search for subsequent events.

SUPPLEMENTARY INFORMATION

L&A Trail, Inc.
 Supplementary Information
 Schedule of Compensation, Benefits and Other Payments to the Executive Director
 December 31, 2016

Executive Director: Mr. James D. Harris

<u>Type of Payment</u>	<u>Amount</u>
Salary	\$0
Benefits-Insurance	0
Benefits-Retirement	0
Deferred Compensation	0
Benefits-Other	0
Car allowance	0
Cell phone	0
Dues	0
Vehicle rental	0
Per Diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	<u>0</u>
Total	<u>\$0</u>

See independent accountant's compilation report.