

METRO CENTERS FOR COMMUNITY
ADVOCACY, INC.

FINANCIAL REPORT

JUNE 30, 2022 AND 2021

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.

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Board of Directors of
Metro Centers for Community Advocacy, Inc.
Jefferson, Louisiana

December 21, 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Metro Centers for Community Advocacy, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Metro Centers for Community Advocacy, Inc. of the State of Louisiana as of June 30, 2022 and 2021, and the respective changes in its net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Metro Centers for Community Advocacy, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Metro Centers for Community Advocacy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Metro Centers for Community Advocacy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Metro Centers for Community Advocacy, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of Metro Centers for Community Advocacy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metro Centers for Community Advocacy, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro Centers for Community Advocacy, Inc.'s internal control over financial reporting and compliance.

Duplantier, Sharpner, Hogan and Oakes, LLP

New Orleans, Louisiana

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash and cash equivalents	\$ 5,141,448	\$ 386,047
Certificates of deposit	118,367	221,494
Grants receivable	502,938	544,395
Prepays and other current assets	43,485	25,759
Total Current Assets	<u>5,806,238</u>	<u>1,177,695</u>
Non-Current Assets:		
Beneficial interest in asset held by Greater New Orleans Foundation	67,973	77,254
Property and equipment, net	602,262	842,920
Total Non-Current Assets	<u>670,235</u>	<u>920,174</u>
 TOTAL ASSETS	 <u>\$ 6,476,473</u>	 <u>\$ 2,097,869</u>
	 <u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities:		
Accounts payable	\$ -	\$ 7,954
Accrued expenses	80,604	85,824
Refundable advance	292,001	-
Long-term debt, current portion	-	25,000
Total Current Liabilities	<u>372,605</u>	<u>118,778</u>
Long-Term Debt, net of current portion	<u>-</u>	<u>24,091</u>
Total Liabilities	<u>372,605</u>	<u>142,869</u>
Net Assets Without Donor Restrictions:		
Board-designated	67,973	77,254
Undesignated	6,035,895	1,877,746
	<u>6,103,868</u>	<u>1,955,000</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 6,476,473</u>	 <u>\$ 2,097,869</u>

The accompanying notes are an integral part of these financial statements.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues and Other Support:		
Grants:		
Governmental	\$ 2,033,357	\$ 1,857,605
Non governmental	175,035	267,573
Payroll Protection Program	-	159,900
Donations	4,177,226	187,175
In-kind contributions	294,771	349,953
Fundraising	10,743	120
Realized and unrealized gains (losses)	(6,548)	15,669
Interest income	17,306	1,462
Rental income	7,428	16,900
Other income	58,863	58,349
Insurance proceeds	604,348	-
Total Revenues and Other Support	<u>7,372,529</u>	<u>2,914,706</u>
Expenses:		
Program Services	2,306,782	2,492,667
Supportive Services:		
Management and general	375,016	396,877
Fundraising	1,000	1,000
Total Expenses	<u>2,682,798</u>	<u>2,890,544</u>
Hurricane Losses	<u>540,863</u>	<u>-</u>
Total Expenses and Losses	<u>3,223,661</u>	<u>2,890,544</u>
Changes in Net Assets Without Donor Restrictions	4,148,868	24,162
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
BEGINNING OF YEAR	<u>1,955,000</u>	<u>1,930,838</u>
END OF YEAR	<u>\$ 6,103,868</u>	<u>\$ 1,955,000</u>

The accompanying notes are an integral part of these financial statements.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Support Services		Total
		Management & General	Fundraising	
Advertising	\$ 52,113	\$ -	\$ -	\$ 52,113
Audit and accounting	-	29,526	-	29,526
Client housing	182,891	-	-	182,891
Consultants and coordinators	513,022	-	-	513,022
Dues	-	4,869	-	4,869
Equipment repairs and maintenance	66,453	2,408	-	68,861
Insurance	72,860	5,868	-	78,728
Insurance - employees	65,148	25,577	-	90,725
Interest	-	1,014	-	1,014
Miscellaneous	157,766	2,642	-	160,408
Office supplies	18,363	11,243	-	29,606
Pest control	5,590	293	-	5,883
Postage and delivery	-	825	-	825
Printing	5,556	-	-	5,556
Rent	6,750	8,540	-	15,290
Salaries and wages	705,845	229,007	-	934,852
Supplies - food	23,548	-	1,000	24,548
Taxes - payroll	59,916	17,519	-	77,435
Telephone and internet	23,917	1,883	-	25,800
Travel and transportation	15,851	-	-	15,851
Utilities	43,668	1,133	-	44,801
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Total expenses before depreciation and in-kind expenses	2,019,257	342,347	1,000	2,362,604
Depreciation	24,890	533	-	25,423
In-kind contribution expenses	262,635	32,136	-	294,771
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	<u>\$ 2,306,782</u>	<u>\$ 375,016</u>	<u>\$ 1,000</u>	<u>\$ 2,682,798</u>

The accompanying notes are an integral part of these financial statements.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Support Services		Total
		Management & General	Fundraising	
Advertising	\$ 23,840	\$ -	\$ -	\$ 23,840
Audit and accounting	-	45,565	-	45,565
Client housing	291,010	-	-	291,010
Consultants and coordinators	411,089	-	-	411,089
Dues	-	6,444	-	6,444
Equipment repairs and maintenance	152,122	3,091	-	155,213
Insurance	66,364	4,878	-	71,242
Insurance - employees	78,797	15,025	-	93,822
Interest	-	2,490	-	2,490
Miscellaneous	138,587	1,641	-	140,228
Office supplies	17,222	8,957	-	26,179
Pest control	3,366	133	-	3,499
Postage and delivery	-	1,361	-	1,361
Printing	12,923	-	-	12,923
Rent	9,317	-	-	9,317
Salaries and wages	797,199	178,546	-	975,745
Supplies - food	18,430	-	1,000	19,430
Taxes - payroll	59,634	14,534	-	74,168
Telephone and internet	30,505	1,563	-	32,068
Travel and transportation	24,995	-	-	24,995
Utilities	47,667	1,123	-	48,790
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Total expenses before depreciation and in-kind expenses	2,183,067	285,351	1,000	2,469,418
Depreciation	1,683	69,490	-	71,173
In-kind contribution expenses	307,917	42,036	-	349,953
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	\$ 2,492,667	\$ 396,877	\$ 1,000	\$ 2,890,544
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The accompanying notes are an integral part of these financial statements.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$4,148,868	\$ 24,162
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation expense	25,423	71,173
Loss on disposals	394,840	-
Realized and unrealized (gains) losses on investments	6,548	(15,669)
(Increase) decrease in operating assets:		
Grants receivable	41,457	(92,014)
Prepaid and other current assets	(17,726)	359
Increase (decrease) in operating liabilities:		
Accounts payable	(7,954)	(12,327)
Accrued expenses	(5,220)	(3,992)
Refundable advances	-	(11,160)
Deferred Program revenues	292,001	-
Net cash used (provided) by operating activities	<u>4,878,237</u>	<u>(39,468)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(179,605)	-
Proceeds from sales of investments	105,860	2,183
Net cash provided (used) by investing activities	<u>(73,745)</u>	<u>2,183</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on note payable	(49,091)	(25,000)
Net cash used in financing activities	<u>(49,091)</u>	<u>(25,000)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,755,401	(62,285)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>386,047</u>	<u>448,332</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$5,141,448</u>	<u>\$ 386,047</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 1,014</u>	<u>\$ 2,490</u>

The accompanying notes are an integral part of these financial statements.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NATURE OF OPERATIONS:

Metro Centers for Community Advocacy, Inc. ("MCCA") is a not-for-profit organization that provides assistance to victims of domestic violence, sexual assault and stalking. MCCA maintains outreach offices in Jefferson Parish, St. Tammany Parish, the River Parishes, and Orleans Parish. MCCA offers the opportunity for victims to receive counseling services, to obtain legal advocacy from advocates employed by the organization, and to obtain legal assistance for temporary restraining orders. MCCA also operates three temporary housing shelters in Jefferson Parish, providing both emergency and transitional housing to victims of domestic violence, sexual assault and stalking.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements of MCCA have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). In accordance with these standards, MCCA is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions – net assets available for general use and not subject to donor restrictions. This category also includes board-designated endowments.

- Board-designated endowed net assets include those for which donors gave MCCA variance power. The Board intends to spend from these assets only an amount allowable under its spending policy.

Net assets with donor restrictions – net assets representing contributed funds subject to specific donor-imposed restrictions contingent upon specific purpose or a specific passage of time.

Accounting standards provide that if the governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as net assets without donor restrictions.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

In-kind Contributions:

In-kind contributions are reflected as contributions recorded at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. MCCA recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. MCCA receives services from a large number of volunteers who give a significant amount of their time to MCCA's programs and meet the criteria for financial statement recognition.

Revenue Recognition of Contributions:

Management has determined that a portion of the grant funds received are contributions. MCCA recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Once the condition is met, contributions are recorded as increases in net assets without donor restrictions or increases in net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions, and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment:

Acquisitions of property and equipment in excess of \$3,000 are capitalized. Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using the straight-line method over five years for vehicles, three years for furniture and equipment, ten years for leasehold improvements and twenty-seven and one-half years for buildings. The cost of land is not depreciated. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period. The cost of repairs and maintenance is charged to expense as incurred; significant renewals and betterments are capitalized.

Income Taxes:

MCCA is operating under Section 501c(3) of the Internal Revenue Code, and is exempt from federal, state and local income taxes on all revenues not related to business activities.

Accordingly, no provision for income taxes is included in the financial statements. MCCA had no business activities during the fiscal years ended June 30, 2022 and 2021.

MCCA believes it has appropriate support for all tax positions taken, and as such, does not have any uncertain positions that are material to the financial statements.

Cash and Cash Equivalents:

For the purpose of the Statements of Cash Flows, MCCA considers all cash and other highly liquid investments, which can be converted into known amounts of cash and have a maturity period of three months or less at the time of purchase to be cash equivalents.

Compensated Absences:

MCCA allows the accrual of vacation and sick leave on all full-time employees who have successfully completed six (6) months of employment. Vacation and sick leave accrual rates are as follows:

<u>Years of Service</u>	<u>Vacation Days</u>	<u>Sick Leave Days</u>
1 - 4	10	10
5 - 9	15	10
10 +	20	10

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Compensated Absences: (Continued)

If an employee does not use his or her vacation time, this time is not accrued for the following calendar year.

Advertising:

MCCA uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2022 and 2021 was \$52,113 and \$23,840, respectively.

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Those expenses which cannot be specifically identified by function type are allocated on a reasonable basis that is consistently applied. Salaries and benefits are allocated based on estimated time spent for each function. Travel, office/occupancy, depreciation, and other expenses are allocated to functions based on space usage.

Grants Receivable:

Grants receivable consists of amounts due from various granting agencies for grants and cost reimbursement programs. These amounts are presented at fair value and management estimates that all are collectible.

Certificates of Deposit:

Certificates of deposit are valued at cost which approximates fair value. Interest is recorded when earned.

Investments:

Investments in marketable securities with readily determinable fair values are valued at their fair value in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities and relate to MCCA's agency endowment fund. Dividends and interest are accrued when earned.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fair Value Measurements:

Accounting Standards Codification (ASC) Fair Value Measurements establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles (GAAP) and disclosures about the fair value measurements. The valuation hierarchy is based upon the reliability of inputs to the valuation of an asset or liability on the measurement date. The three levels of the fair value hierarchy are described below:

Level 1 – inputs to the valuation methodology are unadjusted quoted prices identical to assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

MCCA manages its liquidity by structuring its financial assets to be available as expenditures, liabilities and other obligations come due. The following table reflects MCCA’s financial assets (cash and cash equivalents and grants receivable) as of June 30, 2022 and 2021, reduced by amounts not available for expenses within one year of the statement of financial position date, if any:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 5,141,448	\$ 386,047
Grants receivable	502,938	544,395
Total financial assets	<u>\$ 5,644,386</u>	<u>\$ 930,442</u>
Less: Board Designated Net Assets	<u>(67,973)</u>	<u>(77,254)</u>
Financial assets available to meet cash needs for general operating expenses within one year	<u>\$ 5,576,413</u>	<u>\$ 853,188</u>

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

3. PROPERTY AND EQUIPMENT:

Property and equipment as of June 30 was as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 197,795	\$ 197,795
Construction in progress	147,452	-
Building	547,435	1,063,914
Vehicles	31,167	31,167
Equipment and furnishings	97,286	199,444
Total	<u>1,021,135</u>	<u>1,492,320</u>
Less: accumulated depreciation	<u>(418,873)</u>	<u>(649,400)</u>
Property and Equipment, Net	<u>\$ 602,262</u>	<u>\$ 842,920</u>

For the years ended June 30, 2022 and 2021, depreciation expense was \$25,423 and \$71,173, respectively.

4. REFUNDABLE ADVANCE:

During the year MCCA received conditional grant funds from the AARP. The conditional grants are reported as revenue when perform is met which includes when qualifying expenses are incurred. Any conditional grant funds received in which performance has not been met is reported as refundable advances in the statement of financial position. MCCA reported a refundable advance in the amount of \$292,001 and \$ -0- at June 30, 2022 and 2021, respectively.

5. LONG-TERM DEBT:

As of June 30, MCCA's long-term debt is as follows:

	<u>2022</u>	<u>2021</u>
Note payable to a bank, dated April 25, 2016, with a maturity date of May 1, 2023, principal payable in 11 monthly installments of \$909 and 1 installment each May of \$15,000, plus interest each month at a rate of 2.99%, secured by deposit accounts.	\$ _____	\$ <u>49,091</u>
Total debt	-	49,091
Current maturities of long-term debt	-	<u>(25,000)</u>
Long-term debt	<u>\$ _____</u>	<u>\$ 24,091</u>

The note was paid in full during the year ended June 30, 2022. Interest expense and paid on long-term debt for the years ended June 30, 2022 and 2021 was \$1,014 and \$2,490, respectively.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

6. LINE OF CREDIT:

MCCA has an unsecured line of credit agreement with an available balance of \$15,000 as of June 30, 2022, which carries an interest rate of 8.50%. At June 30, 2021, the available balance was \$15,000 with an interest rate of 7.75%. The agreement has an open maturity date. As of June 30, 2022 and 2021, there were no outstanding borrowings against this line of credit.

7. AGENCY ENDOWMENT FUND:

During the year ended June 30, 2012, MCCA entered into an Agency Endowment Fund with the Greater New Orleans Foundation (the Foundation). This fund is accounted for under guidance from Financial Accounting Standards Board Codification Topic 958 and is described as "...a charitable fund established by a nonprofit agency for the benefit of the nonprofit agency." The Foundation acts as a trustee and has a duty to hold and manage assets for the benefit of MCCA.

Investment Return Objective, Risk Parameters and Strategies:

The primary financial objective of the Foundation is to increase the real purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of investment management. Endowments are invested in a diversified asset mix that is intended to meet this objective. The Foundation's investments in marketable securities with readily determinable fair values are valued at their fair value in the statement of financial position. The Foundation has established a 5% real rate of return objective for the portfolio.

Spending Policy:

Under the terms of the agreement between MCCA and the Foundation, the Foundation will distribute a portion of the earnings of the fund back to the nonprofit agency annually. The Foundation makes available on an annual basis 4% of the 12-quarter rolling average market value of the funds. The cutoff for the calculation is September 30th of each year and all new endowment funds must be for four (4) full quarters prior to December 31st of each year in order for any appropriation to be made available. The principal balance of \$55,000 is retained by the Foundation and is not distributed to MCCA.

Endowment net asset composition by type of fund as of June 30, was as follows:

	<u>2022</u>	<u>2021</u>
Without Donor Restrictions		
Board-designated endowment funds	<u>\$ 67,973</u>	<u>\$ 77,254</u>

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

7. AGENCY ENDOWMENT FUND: (Continued)

Changes in endowment net assets as of June 30, was as follows:

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 77,254	\$ 63,948
Investment return, net	(6,548)	15,939
Distributions	<u>(2,733)</u>	<u>(2,633)</u>
Endowment net assets, end of year	<u>\$ 67,973</u>	<u>\$ 77,254</u>

The funds transferred to the Foundation are subject to the Foundation's variance power. MCCA's investment in the fund is reported as "Beneficial interest in asset held by Greater New Orleans Foundation" on the statements of financial position.

8. CERTIFICATES OF DEPOSIT:

MCCA has certificates of deposit with an original maturity date of more than 3 months. MCCA's certificates of deposits consist of:

June 30, 2022

	Interest				
	<u>Rate</u>	<u>Term</u>	<u>Maturity</u>	<u>Amount</u>	
Regions Bank	0.25%	2.5 Years	1/3/2023	<u>\$ 118,367</u>	

June 30, 2021

	Interest				
	<u>Rate</u>	<u>Term</u>	<u>Maturity</u>	<u>Amount</u>	
Regions Bank	0.25%	2.5 Years	1/3/2023	\$ 117,924	
Chase Bank	0.05%	1 Year	3/20/2022	<u>103,570</u>	
				<u>\$ 221,494</u>	

9. FAIR VALUE MEASUREMENTS:

MCCA's certificates of deposits are valued at current market value. This market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The certificates of deposit are considered a level 1 investment as defined by FASB ASC 820.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

9. FAIR VALUE MEASUREMENTS: (Continued)

MCCA's beneficial interest in the asset held by Greater New Orleans Foundation valued at current market price using quoted market prices for similar assets in active markets using significant other observable inputs. MCCA's beneficial interest is considered a Level 2 investment as defined by FASB ASC 820.

Fair values of assets measured are as follows:

	<u>Recurring Fair Value Measurement:</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
June 30, 2022				
Certificates of Deposit		<u>\$ 118,367</u>	<u>\$ 118,367</u>	<u>\$ -</u>
Beneficial interest in assets held by Greater New Orleans Foundation		<u>\$ 67,973</u>	<u>\$ -</u>	<u>\$ 67,973</u>
June 30, 2021				
Certificates of Deposit		<u>\$ 221,494</u>	<u>\$ 221,494</u>	<u>\$ -</u>
Beneficial interest in assets held by Greater New Orleans Foundation		<u>\$ 77,254</u>	<u>\$ -</u>	<u>\$ 77,254</u>

Following is a summary of investment return for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest income	\$ 17,306	\$ 1,462
Realized gains	5,232	1,906
Unrealized (losses) gains	<u>(11,780)</u>	<u>13,763</u>
Total investment return	<u>\$ 10,758</u>	<u>\$ 17,131</u>

10. LEASE COMMITMENTS:

MCCA leases its Jefferson Parish East Bank building in which the administrative offices and a shelter are housed. MCCA does not pay rent at this location, and the lease is renewable on a year to year basis. Total in-kind contributions for rent at this location amounted to \$87,570 for each of the years ended June 30, 2022 and 2021.

MCCA leases individual office space donated by various governmental agencies and other not-for-profits on an as needed basis to meet with customers of MCCA services. MCCA does not pay for rental of this space, which is reported as in-kind contributions in the statement of activities. In-kind contributions for rent was \$-0- and \$-0- for the years ended June 30, 2022 and 2021, respectively.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

11. IN-KIND CONTRIBUTIONS:

MCCA's policy related to gifts-in-kind is to utilize the assets given to carry out its mission. In-kind contributions include the value of time, rental space, supplies and other essentials required to operate the organization.

The Board of Directors, which includes attorneys and certified public accountants, donate their time to oversee the operations of MCCA at no cost. Based on current market rates, MCCA would have paid \$19,000 and \$28,900 for the years ended June 30, 2022 and 2021, respectively, for the time donated.

MCCA leases its Jefferson Parish East Bank building in which the administrative offices and a shelter are housed. MCCA does not pay rent at this location, and the lease is renewable on a year to year basis. Total in-kind contributions for rent at this location, based on current market rates, amounted to \$87,570 for each of the years ended June 30, 2022 and 2021.

Supplies include clothing, personal and household items, food and meals, and other essential items for clients. If MCCA had purchased these supplies, they would have paid \$131,026 and \$116,746 for the years ended June 30, 2022 and 2021, respectively, based on current market rates.

Volunteers donate their time to assist with everyday functions of MCCA. During the years ended June 30, 2022 and 2021, time spent by the volunteers assisting MCCA would have cost \$57,175 and \$116,737, respectively, based on current market rates.

12. CONCENTRATIONS AND CREDIT RISK:

A substantial portion of MCCA's support and revenue is derived from grants. For the years ending June 30, 2022 and 2021 approximately 30% and 78%, respectively, of its total revenues were from Federal, State and private grantors.

Custodial credit risk is the risk that in the event of a bank failure, MCCA's deposits may not be returned to it. The Federal Deposit Insurance Corporation ("FDIC") insures all deposits owned by a corporation, partnership or unincorporated association at the same bank up to \$250,000. As of June 30, 2022 and 2021, the amount of cash on deposit that exceeded the FDIC coverage limits was \$4,495,126 and \$96,925, respectively.

13. CONTINGENCIES:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time, although MCCA expects any such amounts to be immaterial.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

14. RISK MANAGEMENT:

MCCA is exposed to various risks of loss related to torts; theft of, damage of, and destruction of assets; errors and omissions; and natural disasters for which the organization carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

15. BOARD OF DIRECTORS' COMPENSATION:

The Board of Directors serves and directs MCCA on a voluntary basis. The Board does not receive compensation.

16. PAYCHECK PROTECTION PROGRAM:

MCCA received a loan from Hope Federal Credit Union through the Small Business Administration (SBA) in the amount of \$159,900 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated July 2, 2020 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The loan bears interest at a rate of 1% and is due July 2, 2025.

MCCA has recorded the PPP loan and subsequent forgiveness in accordance with ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*, and has considered the PPP loan to be a conditional contribution. In accordance with ASC 958-605, conditional contributions are not recognized until the conditions are substantially met or explicitly waived. In cases where conditions are met over time or in stages, contributions should be recognized as qualifying expenses are incurred. Under this model, MCCA recognized the proceeds from the PPP loan as a governmental grant in the amount of \$159,900 since the conditions for forgiveness were met and forgiveness was received during the year ended June 30, 2021.

17. HURRICANE IDA:

On August 29, 2021, Hurricane Ida made landfall on the Louisiana coast. MCCA properties located in La Place and Norco, Louisiana sustained substantial damage from the store. The Norco property has been repaired and placed in service.

Insurance proceeds of \$604,348 and hurricane losses totaling \$540,863 are recorded on the statements of activities for the year ended June 30, 2022. In addition to the value of property destroyed, hurricane losses also include expenses for clean-up.

18. SUBSEQUENT EVENTS:

On July 11, 2022, MCCA sold the property located in Slidell. At June 30, 2022, the property had a net book value of \$195,546 included in property and equipment, net of the statements of financial position.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

18. SUBSEQUENT EVENTS: (Continued)

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 21, 2022, and determined that no other events have occurred that require disclosure.

METRO CENTER FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

Agency Head Name: Darlene Santana, Executive Director

Purpose	<u>Amount</u>
Salary	\$ 113,970
Health insurance	11,858
Taxes - payroll	7,838
Workers compensation	2,685
Cell phone	<u>917</u>
 TOTAL	 <u><u>\$ 137,268</u></u>



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 21, 2022

Board of Directors of
Metro Centers for Community Advocacy, Inc.
Jefferson, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Metro Centers for Community Advocacy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metro Centers for Community Advocacy, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro Centers for Community Advocacy, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Metro Centers for Community Advocacy, Inc.'s internal control.

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metro Centers for Community Advocacy, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Sharpner, Hogan and Oakes, LLP

New Orleans, Louisiana



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE*

December 21, 2022

Board of Directors of
Metro Centers for Community Advocacy, Inc.
Jefferson, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Metro Centers for Community Advocacy, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Metro Centers for Community Advocacy, Inc.'s major federal program for the year ended June 30, 2022. Metro Centers for Community Advocacy, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Metro Centers for Community Advocacy, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

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Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Metro Centers for Community Advocacy, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Metro Centers for Community Advocacy, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules and provisions of contracts or grant agreements applicable to Metro Centers for Community Advocacy, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Metro Centers for Community Advocacy, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Metro Centers for Community Advocacy, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Metro Centers for Community Advocacy,

Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Metro Centers for Community Advocacy, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Metro Centers for Community Advocacy, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Chapman, Hogan and Baker, LLP

New Orleans, Louisiana

METRO CENTER FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass Through Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Sub-Award Local Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
Passed through Louisiana Department of Children and Family Services			
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	* 93.671		\$ 420,865
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services - CARES	* 93.671		15,346
Family Violence Prevention and Services/Discretionary - ARP	93.318		114,633
			<u>550,844</u>
Passed through Substance Abuse and Mental Health Services Administration			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		310,531
Administration Drug-Free Communities Support Program Grants	93.276		123,541
			<u>434,072</u>
Passed through U.S. Committee for Refugees and Immigrants Trafficking Victim Assistance Program	93.598		12,937
			<u>997,853</u>
Total U.S. Department of Health and Human Services			
U.S. Department of Justice			
Passed through Louisiana Commission on Law Enforcement			
Crime Victim Assistance	16.575	2019-VA/01-5893	331,394
Crime Victim Assistance	16.575	2020-VA-01-6101	49,488
			<u>380,882</u>
Violence Against Women Formula Grants	16.588	2020-WF-03-5860	8,950
Violence Against Women Formula Grants	16.588	2021-WF-03-6571	9,563
Violence Against Women Formula Grants	16.588	2020-WF-03-5870	12,689
Violence Against Women Formula Grants	16.588	2019-WF-03-4191	12,721
Violence Against Women Formula Grants	16.588	2019-WF-03-6671	9,350
			<u>53,273</u>
Sexual Assault Services Program	16.017	2020-KF-01-5838	24,479
Sexual Assault Services Program	16.017	2021-KF-01-6550	19,509
			<u>43,988</u>
Total U.S. Department of Justice			<u>478,143</u>

METRO CENTER FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass Through Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Sub-Award Local Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
Passed through Jefferson Parish Department of Community Development Programs			
Emergency Solutions Grant Program	14.231	Resolution # 139867	\$ 19,603
Emergency Solutions Grant Program - COVID	14.231	Resolution # 137363	126,261
			<u>145,864</u>
Passed through UNITY of Greater New Orleans			
Turning Point Project	14.267	LA0342D6H001900	214,577
Total U.S. Department of Housing and Urban Development			<u>360,441</u>
United States Department of Homeland Security			
Passed through United Way Worldwide			
Emergency Food and Shelter National Board Program	97.024		20,813
Total United States Department of Homeland Security			<u>20,813</u>
National Highway Traffic Safety Administration			
Passed through Louisiana Highway Safety Commission			
State and Community Highway Safety	20.607		17,575
Total National Highway Traffic Safety Administration			<u>17,575</u>
Total Expenditures of Federal Awards			<u>\$1,874,825</u>

* Major Program

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Metro Centers for Community Advocacy, Inc. ("MCCA") under programs of the federal government for the year ended June 30, 2022. The information presented in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Guidance*, wherein certain types of expenditures are not be allowable or are limited as to reimbursement.

2. INDIRECT COST RATE:

MCCA elected not to use the 10-percent de minimis indirect cost rate as allowed under the *Uniform Guidance*.

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDITOR’S RESULTS:

The opinion issued on the financial statements of Metro Centers for Community Advocacy, Inc., for the year ended June 30, 2022 was unmodified.

Internal Control over financial reporting:

Material weaknesses: None noted.
 Significant deficiencies: None noted.

Noncompliance material to financial statements: None noted.

FEDERAL AWARDS:

Internal Control over major programs:

Material weaknesses: None noted.
 Significant deficiencies: None noted.

Type of auditor’s report issued on compliance for the major federal award program: unmodified.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Title 2 U.S. Code of Federal Regulations (CFR) section 200.516(a):

___yes Xno

Identification of major program:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
Family Violence Prevention and Service/Domestic Violence Shelter and Supportive Services	93.671	<u>\$ 436,211</u>
Dollar threshold used to distinguish between Type A and Type B programs:		\$ 750,000
Auditee qualified as low-risk auditee?	<u>X</u> yes	___no

METRO CENTERS FOR COMMUNITY ADVOCACY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS:

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS:

Internal Controls – Significant deficiency

21-01 General Ledger

During the performance of audit procedures, we noted the following:

- a. Funds received were recorded to cash and revenue. However, the transaction had previously been recorded in accounts receivable and revenue. Not recording the receipt of funds against accounts receivable resulted in an overstatement of revenue and accounts receivable;
- b. The final payroll period for the year, paid subsequent to year end, was posted as a cash withdrawal on the last day of the year instead of the date the payroll was paid resulting in an understatement of cash and accrued payroll;
- c. Disbursements paid after year end were posted to the current fiscal year.

MCCA should properly record transactions in the correct fiscal year to ensure accurate financial statements. In addition, MCCA should review the status of receivables to ensure collected receivables are being posted and cleared from the receivable account. Not recording transactions correctly could result in inaccurate financial statements.

We recommended MCCA properly record transactions in the correct fiscal year to ensure accurate financial statements and implement a procedure to track the receipt of receivables.

Status:

None of the above findings were noted in the current year.