

NEW ORLEANS FAMILY JUSTICE ALLIANCE

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Contents

Independent Auditor's Report	1 - 3
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Financial Statements:

Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Statement of Functional Expenses	7
Notes to Financial Statements	8 - 12

Supplementary Information:

Schedule of Compensation, Benefits and Other Payments to the Agency Head	13
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Other Reporting Required by *Government Auditing Standards*:

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 <i>Government Auditing Standards</i>	14 - 15
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	16 - 17
Schedule of Federal Expenditures	18 - 19
Schedule of Findings and Questioned Costs	20 - 21
Summary Schedule of Prior Year Findings	22
Management's Corrective Action Plan	23

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
New Orleans Family Justice Alliance

Report on the Financial Statements

We have audited the accompanying financial statements of New Orleans Family Justice Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Orleans Family Justice Alliance as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer* and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is 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, 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 June 29, 2018, on our consideration of the New Orleans Family Justice Alliance'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 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 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 New Orleans Family Justice Alliance's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

June 29, 2018

FINANCIAL STATEMENTS

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Financial Position
December 31, 2017

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Assets:				
Current Assets				
Cash and Cash Equivalents	\$ 53	\$ -	\$ -	\$ 53
Grants Receivable	253,235	58,509	-	311,744
Total Current Assets	253,288	58,509	-	311,797
Fixed Assets, Net	807,177	-	-	807,177
Other Assets	30,875	-	-	30,875
Total Assets	\$ 1,091,340	\$ 58,509	\$ -	\$ 1,149,849
Liabilities and Net Assets:				
Current Liabilities				
Accounts Payable	\$ 39,186	\$ -	\$ -	\$ 39,186
Accrued Expenses	17,475	-	-	17,475
Line of Credit	120,863	-	-	120,863
Total Current Liabilities	177,524	-	-	177,524
Net Assets	913,816	58,509	-	972,325
Total Liabilities and Net Assets	\$ 1,091,340	\$ 58,509	\$ -	\$ 1,149,849

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Activities
For the Year Ended December 31, 2017

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue and Support:				
Grant Revenue	\$ 1,656,048	\$ -	\$ -	\$ 1,656,048
Cash Donations	113,512	-	-	113,512
United Way	55,994	-	-	55,994
Partner Rent	17,840	-	-	17,840
Service/Fee Income	5,293	-	-	5,293
Marriage & Civil Fees	91,543	-	-	91,543
Private Attorney Rent	3,074	-	-	3,074
In-Kind Donations	48,373	-	-	48,373
Private Foundation	-	156,711	-	156,711
PSH Rental Income	-	28,832	-	28,832
Other Income	3,173	-	-	3,173
Net Assets Released from Restrictions	246,161	(246,161)	-	-
Total Revenue and Support	2,241,011	(60,618)	-	2,180,393
Expenses:				
Personnel Costs	1,439,143	-	-	1,439,143
Occupancy Costs	188,419	-	-	188,419
Professional Fees	36,259	-	-	36,259
Operating Costs	264,486	-	-	264,486
Direct Program Expenses	259,583	-	-	259,583
Insurance	19,518	-	-	19,518
Depreciation and Amortization	22,608	-	-	22,608
Interest Expense	5,960	-	-	5,960
Fundraising Expenses	28,751	-	-	28,751
Total Expenses	2,264,727	-	-	2,264,727
Decrease in Net Assets	(23,716)	(60,618)	-	(84,334)
Net Assets, Beginning of Year	937,532	119,127	-	1,056,659
Net Assets, End of Year	\$ 913,816	\$ 58,509	\$ -	\$ 972,325

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Cash Flows
For the Year Ended December 31, 2017

	2017		
	Unrestricted	Temporarily Restricted	Total
Cash Flows from Operating Activities:			
Change in Net Assets	\$ (23,716)	\$ (60,618)	\$ (84,334)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used) by Operating Activities			
Depreciation and Amortization	22,608	-	22,608
Decrease in Accounts Receivable	2,969	-	2,969
Increase in Grants Receivable	(81,459)	60,618	(20,841)
Decrease in Prepaid Expenses	975	-	975
Increase in Accounts Payable	18,965	-	18,965
Increase in Accrued Expenses	17,475	-	17,475
Net Cash (Used) by Operating Activities	(42,183)	-	(42,183)
Cash Flows from Investing Activities:			
Purchases of Property and Equipment	(9,499)	-	(9,499)
Net Cash (Used) by Investing Activities	(9,499)	-	(9,499)
Cash Flows from Financing Activities:			
Proceeds from Line of Credit, net	58,856	-	58,856
Payments on Loan Payable	(23,930)	-	(23,930)
Net Cash Provided by Financing Activities	34,926	-	34,926
Net (Decrease) in Cash and Cash Equivalents	(16,756)	-	(16,756)
Cash and Cash Equivalents, Beginning of Year	16,809	-	16,809
Cash and Cash Equivalents, End of Year	\$ 53	\$ -	\$ 53

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Statement of Functional Expenses
For the Year Ended December 31, 2017

	2017			
	Direct Admin	Direct Program	Fundraising Expenses	Total
Expenses				
Personnel Costs	\$ 63,476	\$ 1,308,087	\$ 67,580	\$ 1,439,143
Occupancy Costs	8,310	171,261	8,848	188,419
Professional Fees	17,441	17,894	924	36,259
Operating Costs	13,361	250,004	1,121	264,486
Direct Program Costs	-	259,583	-	259,583
Insurance	977	18,541	-	19,518
Depreciation and Amortization	1,132	21,476	-	22,608
Interest Expense	2,448	3,512	-	5,960
Fundraising Expenses	-	-	28,751	28,751
	\$ 107,145	\$ 2,050,358	\$ 107,224	\$ 2,264,727

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

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2017

Note 1. Organization:

New Orleans Family Justice Alliance (NOFJA) is a public charity under Section 170(b) of the Internal Revenue Code (IRC) located in New Orleans, Louisiana. New Orleans Family Justice Alliance is a partnership of agencies dedicated for ending family violence, child abuse, sexual assault, and stalking through prevention and coordinated response by providing comprehensive client-centered, empowerment services in a single location. The primary sources of revenue for the NOFJA is grant income received from federal and state funding sources, cash donations, support from private foundations, and charges for services.

Note 2. Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of New Orleans Family Justice Alliance have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America, and they include all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statement presentation is in accordance with the *Not-for-Profit Entities* Topic of the FASB Accounting Standards Codification. Accordingly, New Orleans Family Justice Alliance reports 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. Temporarily restricted net assets are those whose use by New Orleans Family Justice Alliance has been limited by donors to a specific time period or purpose. At December 31, 2017, New Orleans Family Justice Alliance does not have any permanently restricted net assets.

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 reported amounts of assets and liabilities and disclosure 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.

Significant items in the financial statements subject to such estimates are the valuation of donated services and the allocation of functional expenses.

Cash and Cash Equivalents

New Orleans Family Justice Alliance considers highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2017

Note 2. Summary of Significant Accounting Policies: (Continued)

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:	
Interest	\$5,960

Concentrations of Credit Risk

Financial instruments that potentially subject NOFJA Entities to concentrations of credit risk consist principally of temporary cash investments and grants receivable. NOFJA maintains cash balances at a local financial institution. The cash balances in the financial institution are insured up to \$250,000. As of December 31, 2017, cash balances did not exceed the federally insured limit.

Concentration of credit risk exists with respect to grant income where the revenue is dependent upon federal and state allocation of funds.

At December 31, 2017, management does not believe significant credit risk exists with regard to accounts and grants receivable, and there is no risk exposure relating to cash balances exceeding the federally insured limits

Concentrations of Sources of Revenue

Approximately 76% of NOFJA's revenue is derived from grants from the Federal, State, and City governments which are renewed annually. The current level of operations and program services may be impacted or segments discontinued if funding is not renewed.

Contributions

NOFJA accounts for contributions in accordance with the *Not-for-Profit Entities* Topic of the FASB Accounting Standards Codification. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions are reported as increases 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.

Donated Services

Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or those services are recorded in the financial statements to the extent those services meet the following criteria: a) the service requires specialized skills, b) the service is provided by individuals who possess those skills, and c) the service would typically need to be purchased if not contributed.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2017

Note 2. Summary of Significant Accounting Policies: (Continued)

Accounts Receivable and Grants Receivable

Accounts receivable are stated at the value of the unpaid balances. Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

Fixed Assets

Property and equipment are carried at cost. Management's threshold for capitalization is \$5,000. Depreciation is calculated using the straight-line method at rates based on the estimated useful lives of the assets. Estimated useful lives are three years for equipment, five years for furniture and fixtures, and 40 years for the building.

Temporarily Restricted Net Assets

Temporarily restricted net assets primarily consist of net assets that are available to fund programs conducted by NOFJA in accordance with donor restrictions.

Compensated Absences

Employees of NOFJA are entitled to paid vacation and sick days depending on job classification, length of service, and other factors. It is not practicable for NOFJA to estimate the amount of compensation for future absences. Accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The NOFJA policy is to recognize the costs of compensated absences when actually paid to employees.

Income Tax Status

The Internal Revenue Service has determined that NOFJA is exempt from Federal income tax under Section 501(c)(3). Contributions to NOFJA are deductible under Section 170(b) of the Internal Revenue Code.

Uncertain Tax Positions

NOFJA follows the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB Accounting Standards Codification. The implementation of this Topic has had no impact on the statement of financial position and the statement of activities and changes in net assets. The federal and state tax returns of NOFJA are subject to examination by taxing authorities for the years ended December 31, 2016, 2015 and 2014.

All tax returns have been appropriately filed by NOFJA. NOFJA recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. NOFJA's tax filings are subject to audit by various taxing authorities. As of December 31, 2017, management evaluated NOFJA's tax position and concluded that NOFJA has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2017

Note 3. Fixed Assets:

The following is a summary of changes in Fixed Assets for the calendar year ended December 31, 2017:

	<u>Jan. 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec 31, 2017</u>
<u>Non Depreciable Assets</u>				
Construction in Process	\$ --	\$ 9,499	--	\$ 9,499
Land	23,600	--	--	23,600
Non Depreciable, Total	<u>23,600</u>	<u>9,499</u>	<u>--</u>	<u>33,099</u>
<u>Depreciable Assets</u>				
Building	764,045	--	--	764,045
Leasehold Improvements	52,610	--	--	52,610
Accumulated Depreciation	(19,969)	(22,608)	--	(42,577)
Depreciable Assets, Net	<u>796,686</u>	<u>(22,608)</u>	<u>--</u>	<u>774,078</u>
Fixed Assets, Net	<u>\$ 820,286</u>	<u>\$(13,109)</u>	<u>--</u>	<u>\$ 807,177</u>

Depreciation expense was \$22,608 for the year ending December 31, 2017.

Note 4. Leases:

NOFJA signed a five year lease on April 4, 2012, for office space commencing June 17, 2012, and expiring June 16, 2017, for \$15,437 per month.

Total rent expense for the year ended December 31, 2017, totaled \$188,419.

On January 12, 2017, NOFJA signed a non-binding letter of intent with its landlord to renew the lease and expand into additional space in the building in which NOFJA is presently located. The monthly rent from July 1, 2017, increased to \$16,031 per month.

Note 5. Line of Credit:

NOFJA has a revolving line of credit with maximum borrowing of \$150,000 with a local financial institution, which it may draw upon to provide necessary working capital. Interest at a rate of 6.0% per annum accrues on the outstanding principal balance. The line of credit matured in November 2017. The line was renewed in the early part of 2018. The line is secured by receivables and the building and land as shown in Note 3. The balance on the line of credit as of December 31, 2017, was \$120,863.

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Notes to the Financial Statements
December 31, 2017

Note 6. Loan Payable:

In 2014, NOFJA opened a loan payable with a local non-profit organization. The terms of the loan allowed NOFJA to take draws and make payments on the loan in a fashion similar to a line of credit. The total amount of credit made available on the loan was \$250,000 and it bore interest at 6% per annum. The loan matured on December 31, 2017, and was collateralized by the building and land as shown in Note 3. During the year ended December 31, 2017, the loan was paid off.

Note 7. Subsequent Events:

On April 30, 2018, the NOFJA borrowed \$150,000 on a construction loan for the build out of additional office space. The NOFJA also entered into a lease agreement for this additional space at \$3,690 per month.

Note 8. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

Description	2017
WLC (Women's Leader)	\$ 24,950
Materials & Brochures	17,599
Permanent Supportive Housing	235
Emergency Shelter Needs	15,725
	<hr/>
	\$ 58,509

SUPPLEMENTARY INFORMATION

NEW ORLEANS FAMILY JUSTICE ALLIANCE
Supplementary Information
Schedule of Compensation, Benefits and Other Payments to the Agency Head
For the Year Ended December 31, 2017

Agency Head: Mary Claire Landry

Purpose	Amount
Salary	\$ 90,002
Benefits-Insurance	6,493
Benefits-Life Insurance	983
Benefits-Dental and LT Disability	730
Travel	977
Benefits-FICA	<u>6,684</u>
Total	<u>\$ 105,869</u>

COMPLIANCE AND INTERNAL CONTROL SECTION

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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

To the Board of Trustees of
New Orleans Family Justice Alliance

We have audited, 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, the financial statements of New Orleans Family Justice Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements 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 June 29, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Orleans Family Justice Alliance's internal control over financial reporting (internal control) to determine the 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 New Orleans Family Justice Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of New Orleans Family Justice Alliance's internal control.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See 2017-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Orleans Family Justice Alliance’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 determination of financial statement amounts. 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*.

New Orleans Family Justice Alliance’s Response to Findings

New Orleans Family Justice Alliance’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. New Orleans Family Justice Alliance’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

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June 29, 2018

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

To the Board of Trustees of
New Orleans Family Justice Alliance

Report on Compliance for Each Major Federal Program

We have audited New Orleans Family Justice Alliance's (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of New Orleans Family Justice's major federal programs for the year ended December 31, 2017. New Orleans Family Justice Alliance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of New Orleans Family Justice Alliance's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the New Orleans Family Justice Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the New Orleans Family Justice Alliance's compliance.

Opinion on Each Major Federal Program

In our opinion, New Orleans Family Justice Alliance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of New Orleans Family Justice Alliance is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the New Orleans Family Justice Alliance's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the New Orleans Family Justice Alliance's 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 the 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 a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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Gretna, Louisiana

June 29, 2018

NEW ORLEANS FAMILY JUSTICE ALLIANCE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Federal Expenditure
United States Department of Justice		
<i>(Passed through the Louisiana Commission on Law Enforcement)</i>		
Violence Against Women Act		
2016 STOP VAWA (Sexual Assault)	16.588	\$ 18,223
2016 STOP VAWA (Domestic Violence)	16.588	17,422
2016 Sexual Assault (SASP - Sexual Assault Prevention)	16.017	25,219
Crime Victims Assistance		
Crime Victims Assistance - Sexual Assault Services	16.575	429,848
Crime Victims Assistance - CAC Collaborative	16.575	62,561
Crime Victims Assistance - Forensic Program	16.575	40,407
		593,680
<i>(Passed through Covenant House)</i>		
Collaborative Model to Combat Human Trafficking	16.320	44,843
<i>(Passed through the Southeast Legal Services Inc.)</i>		
Legal Assistance Services	16.524	24,304
<i>(Passed through the Office of Victims of Crime)</i>		
Crime Victim Assistance/Discretionary Grants: Poly-victimization Demonstration Initiative	16.582	214,387
<i>(Passed through City of New Orleans Health Department)</i>		
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program:		
Blueprint for Safety	16.590	2,277
<i>(Passed through Unity for the Homeless)</i>		
2015 HOPWA/VAWA Demonstration Grant	14.241	51,041
<i>(Passed through the Office of Violence Against Women)</i>		
Transitional Housing for Victims of Domestic Violence	16.736	121,961
United States Department of Justice	Total	\$ 1,052,493
United States Department of Health and Human Services		
<i>(Passed through the LA Office of Public Health and LA Foundation Against Sexual Assault)</i>		
Rape Prevention Education	93.136	\$ 26,148
<i>(Passed through the State of LA Department of Children and Families)</i>		
Domestic Violence Services Shelter and Supportive Services	93.671	430,590
United States Department of Health and Human Services	Total	\$ 456,738
United States Department of Housing and Urban Development		
<i>(Passed through the City of New Orleans-Office of Community Development)</i>		
Federal Emergency Solutions Grant - ESG	14.231	\$ 170,000
United States Department of Housing and Urban Development	Total	\$ 170,000
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 1,679,231

NEW ORLEANS FAMILY JUSTICE ALLIANCE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2017. Federal financial assistance received during the year did meet the criteria set forth in the Single Audit Act and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Center has met the qualifications for the respective grants. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they are properly applied to the grant.

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2017**

We have audited the financial statements of the New Orleans Family Justice Alliance as of and for the year ended December 31, 2017, and have issued our report thereon dated June 29, 2018. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the Uniform Guidance. Our audit of the financial statements as of December 31, 2017, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control

Material Weaknesses Yes No
 Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No
 Significant Deficiencies Yes No

Type of Opinion On Compliance For Major Programs

Unqualified Qualified
 Disclaimer Adverse

Are there findings required to be reported in accordance with the Uniform Guidance? Yes No

Was a management letter issued? Yes No

c. Identification of Major Programs:

Crime Victims Assistance - Sexual Assault Services	16.575
Crime Victim Assistance/Discretionary Grants: Poly-victimization	
Demonstration Initiative	16.575
Domestic Violence Services Shelter and Supportive Services	93.671

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? Yes No

NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For The Year Ended December 31, 2017

Section II Financial Statement Findings

A – Issues of Noncompliance

None

B – Significant Deficiencies

2017-1 Inadequate Segregation of Accounting Functions

Condition and Criteria

During the last quarter of the fiscal year, the Center did not maintain an adequate segregation of accounting functions.

Cause

This condition resulted because of a delay in completing bank reconciliations by an outside CPA firm contracted to perform this function. The delay required the employee who also makes deposits to perform bank reconciliations.

Effect

This indicated a deficiency in internal control due to the same person who made deposits, recorded deposits, and also reconciled the bank statement.

Recommendation

We recommend the Center work with their outside vendor to ensure timely reconciliation of the bank statements.

Management's Response

Management's response can be found in the Management's Corrective Action Plan on page 23.

C – Material Weaknesses

None

Section III Federal Award Findings and Questioned Costs

None

**NEW ORLEANS FAMILY JUSTICE ALLIANCE
SCHEDULE OF PRIOR YEAR FINDINGS
For The Year Ended December 31, 2017**

Section I – Internal Control and Compliance Material to the Financial Statements

None

Section II – Internal Control and Compliance Material to Federal Awards

None

Section III – Management Letter

None

NEW ORLEANS FAMILY JUSTICE ALLIANCE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2017

Section II Financial Statement Findings

B – Significant Deficiencies

Management's Response

We agree with the recommendation and will ensure timely reconciliation of the bank statements by the outside CPA firm.

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a professional accounting corporation
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Society of Louisiana Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees of the New Orleans Family Justice Alliance and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of the New Orleans Family Justice Alliance (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the functions noted above.

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above. The Entity is not a public entity and not subject to the public bid law.

- c) **Disbursements**, including processing, reviewing, and approving

Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained and address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Written policies and procedures were obtained and address the functions noted above except for item (3) legal review and item (5) monitoring process

Management's Response

We will amend our contract procedure to include legal review and monitoring process of our contracts.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Not applicable.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The board was to hold six meetings during the fiscal year, documentation only reveals four meetings were held.

Management's Response

We will address with the board at the next meeting to be held in August 2018.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

No exceptions noted

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

No exceptions noted.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained a listing of client bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Bank reconciliations obtained include evidence that a member of management had reviewed each bank reconciliation.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

One transaction outstanding at the end of the fiscal period, with no documentation that the item has been researched.

Management's Response

This item will be researched and corrected immediately.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained a listing of the cash collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Persons responsible for collecting and depositing funds are covered under the Entity's theft policy.

Person responsible for depositing funds in the bank is the same individual recording the related transaction and reconciling the bank account.

Management's Response

New procedures will be put in place to have the contract accounting firm completing the bank reconciliations effective for July 2018.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

No exceptions noted.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Nine transactions were examined. Two of these transactions at receipt date by the Entity could not be determined. In these instances, the check date was used to determine the number of days from collection to bank deposit. The days from check date to deposit date were 5 and 23.

Management's Response

We will implement a date stamp to document the receipt date of funds.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

No exceptions noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Written policies and procedures were obtained and address the functions noted above.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Obtained a listing of disbursements and management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

No exceptions noted.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

No exceptions noted

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

6 disbursements noted no signature approval on the invoice. One of these transactions did not have the required approved purchase requisition attached.

Management's Response

Compliance to purchasing procedures will be monitored by the new filled Director of Finance position hired in the fourth quarter of 2017.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The director of finance who processes payments adds vendors to the Entity's accounting system. It is noted this person does not have signatory authority on the bank account.

Management's Response

We are a small agency with limited of number of persons and a complete set of segregated duties is at times cost prohibitive. We will consider modifying our current procedures to include a requisite new vendor form and other potential compensating controls over disbursements.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The executive director has access to the accounting system and can add vendors, process payments, and sign checks.

Management's Response

We are a small agency with limited of number of persons and a complete set of segregated duties is at times cost prohibitive. We will consider modifying our current procedures to include a requisite new vendor form and other potential compensating controls over disbursements.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions noted

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Neither a signature stamp nor a signature machine is used by the Entity.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Listing of credit cards and the name of the person who maintained possession of the card and management's representation that the listing was complete was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

The Entity had one active credit card.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

The Entity's only credit card is for the Executive Director, no evidence of someone other than the authorized card holder approving in writing the statement.

Management's Response

The agency credit card will be reviewed and approved by the Director of Finance who is not the authorized card holder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges and/or late fees assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

No exceptions noted.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Four transactions did not have written documentation of the business/public purpose.

One transaction for Jimmy John's meal for training did not list the individuals in the training.

Management's Response

The Director of Finance while approving the credit card statement will ensure compliance with documentation requirements.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No exceptions noted

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Policies were obtained, no per diem for meals and incidentals exceeded GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses were paid in accordance with policy.

Hotel reimbursement for lodging in Washington DC was for \$787.65 for three nights. GSA per diem rate for this lodging area is computed to be \$750.00.

Management's Response

We recognize there is a difference in the actual charge and the GSA allowable per diem rate for this transaction. However, the amount is de minimis and our procedures allowed for the increased amount.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

One of the employee reimbursements for flights does not reference business purpose.

Management's Response

The Director of Finance will ensure compliance with the required documentation.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

No exceptions noted.

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

2 of the 5 contracts were for rental arrangements in effect prior to the current fiscal year, no evidence of quotes was obtained.

1 of the 5 contracts was for hall rental, labor and food for an event, no evidence of quotes obtained.

1 of the 5 contracts was for research services, no evidence of quotes obtained.

1 of the 5 contracts was for the purchase of software, no evidence of quotes obtained.

Management's Response

Some of the items noted we obtained quotes and did not document them, in other instances we did not obtain quotes. The contract for research services was established through a federal grant with specific qualifications but our documentation did not reflect that adequately. The purchase of the software is a system we have used for several years and would be very disruptive to change software.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No exceptions noted.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No noncompliance noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Minutes show board approval contracts and personal service arrangements.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

One of the 25 employees did not have documented attendance for the pay period examined.

Management's Response

Director of Finance will ensure compliance with documentation requirements.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

No exceptions noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted. The Entity uses a payroll service provider to file required reporting forms and process payroll tax payments.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Not applicable.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Not applicable.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The Entity had no misappropriation of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The Entity has posted on its premises the notice required by R.S. 24:523.1 However, we did not see the notice posted on their website.

Management's Response

We will address this omission by our website provider

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Camnetar & Co., CPAs

a professional accounting corporation

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

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Gretna, Louisiana

June 29, 2018