

Crescent City WIC Services, Inc.

Financial Reports

Years Ended December 31, 2017 And 2016

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PEDELAHORE & CO., LLP
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Crescent City WIC Services, Inc.
Gretna, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Crescent City WIC Services, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years 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 the 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 audits. 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 Audit 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 Crescent City WIC Services, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years 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 accompanying schedule of compensation, benefits and other payments to agency head or chief executive officer on page 11 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 30, 2018, on our consideration of Crescent City WIC Services, 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 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 Crescent City WIC Services, 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 Crescent City WIC Services, Inc.'s internal control over financial reporting and compliance.



June 30, 2018

New Orleans, Louisiana

Crescent City WIC Services, Inc.
Statements Of Financial Position
December 31, 2017 and 2016

	<u>Assets</u>	
	<u>2017</u>	<u>2016</u>
Current Assets		
Cash	\$ 25,307	\$ 80,036
Accounts receivable	<u>29,950</u>	<u>25,400</u>
Total current assets	<u>55,257</u>	<u>105,436</u>
Property And Equipment		
Office furniture and equipment	58,094	53,226
Less: accumulated depreciation	<u>41,758</u>	<u>32,192</u>
	<u>16,336</u>	<u>21,034</u>
	<u>\$ 71,593</u>	<u>\$ 126,470</u>

Liabilities And Net Assets

Current Liabilities		
Accounts payable	\$ 24,365	\$ 34,348
Accrued payroll	<u>24,726</u>	<u>25,696</u>
Total current liabilities	<u>49,091</u>	<u>60,044</u>
Net Assets		
Unrestricted	<u>22,502</u>	<u>66,426</u>
	<u>\$ 71,593</u>	<u>\$ 126,470</u>

The Notes To Financial Statements are an integral part of these statements.

Crescent City WIC Services, Inc.
Statements Of Activities And Changes In Net Assets
For The Years Ended December 31, 2017 And 2016

	<u>2017</u>	<u>2016</u>
Support And Revenue		
Grants	\$ 745,085	\$ 831,815
Services	334,903	358,023
Donations/Sponsorships	7,651	3,231
Total revenue	<u>1,087,639</u>	<u>1,193,069</u>
Expenses		
Salaries and wages	632,371	632,239
Contract labor	108,177	196,201
Rent	79,700	64,800
Insurance	56,891	40,820
Payroll tax expense	49,074	49,785
Office expense	31,752	42,465
Professional fees	25,616	25,416
Travel expense	22,002	51,565
Telephone expense	18,055	24,535
Payroll fees	17,687	-
Janitorial service and supplies	15,762	14,235
Contributions to Grantee	14,250	-
Utilities	10,691	9,692
Repairs and maintenance	10,098	18,002
Depreciation	9,566	11,844
Event expenses	9,202	11,202
Medical supplies	5,412	5,045
Advertising	3,566	18,535
Security expense	3,046	1,859
Seminar and training	2,232	1,318
Computer and internet	2,222	-
Miscellaneous	1,733	1,419
General administrative expense	1,727	484
Interest expense	253	51
Bank charges	244	208
Uniforms	234	2,571
Supplies	-	7,554
Total expenses	<u>1,131,563</u>	<u>1,231,845</u>
Decrease In Net Assets	(43,924)	(38,776)
Net Assets, Beginning Of Year	<u>66,426</u>	<u>105,202</u>
Net Assets, End Of Year	<u>\$ 22,502</u>	<u>\$ 66,426</u>

The Notes To Financial Statements are an integral part of these statements.

Crescent City WIC Services, Inc.
Statements Of Cash Flows
For The Years Ended December 31, 2017 And 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (43,924)	\$ (38,776)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	9,566	11,844
(Increase) decrease in:		
Accounts receivable	(4,550)	4,314
Prepaid expenses	-	2,410
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>(10,953)</u>	<u>35,415</u>
Net cash provided (used) by operating activities	<u>(49,861)</u>	<u>15,207</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	<u>(4,868)</u>	<u>(7,493)</u>
Net cash used by investing activities	<u>(4,868)</u>	<u>(7,493)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(54,729)	7,714
Cash and cash equivalents at beginning of year	<u>80,036</u>	<u>72,322</u>
Cash and cash equivalents at end of year	<u>\$ 25,307</u>	<u>\$ 80,036</u>

The Notes To Financial Statements are an integral part of these statements.

Crescent City WIC Services, Inc.
Notes To Financial Statements
For The Years Ended December 31, 2017 And 2016

Note 1. Summary Of Significant Accounting Policies

Nature of Business

Crescent City WIC Services, Inc. (the Organization) is a nonprofit organization that provides services for The Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program). The WIC program receives Federal funding to provide supplemental food, health care referrals, and nutritional education for low-income pregnant, breastfeeding, and postpartum women and their children. The Organization also provides services for the Healthy Start Program; an initiative to improve perinatal health outcomes and reduce racial and ethnic disparities in high risk communities.

Basic of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization follows the Financial Accounting Standards Board (FASB) and Accounting Standards Codification (ASC) with respect to financial statement presentation. Accordingly, the Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at historical cost. Depreciation and amortization of property and equipment is provided utilizing accelerated methods. Depreciation expense for December 31, 2017 and 2016, was \$9,566 and \$11,844, respectively.

Crescent City WIC Services, Inc.
Notes To Financial Statements
For The Years Ended December 31, 2017 And 2016

Note 1. Summary Of Significant Accounting Policies (continued)

Property and Equipment (continued)

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Advertising Expense

Advertising expenses are considered direct costs and are not considered to have a direct-response relationship to support under ASC Topic 340-20 "Capitalized Advertising Costs". Therefore these expenses are recognized as incurred. No amounts of advertising are capitalized. Advertising costs for the year ended December 31, 2017 and 2016, are \$3,566 and \$18,535, respectively.

Revenue Recognition and Receivables

WIC Program services are recorded when earned.

Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a tax-exempt organization under Internal Revenue Code Section 501(c) (3) and, as such, is not subject to income taxes.

The Organization has adopted *FASB ASC 740-10, "Accounting for Uncertainty in Income Taxes."* Using that guidance, as of December 31, 2017, the Organization believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Also, the Organization's federal tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitation on those returns. In general, the federal tax return has a three year statute of limitations.

Crescent City WIC Services, Inc.
Notes To Financial Statements
For The Years Ended December 31, 2017 And 2016

Note 2. Commitments And Contingencies

The Organization leases an office site under a three year operating agreement at a monthly rental of \$5,400. The monthly rental amount for this lease increased to \$5,450 beginning March 1, 2017. The lease expires in April 2020, and contains a renewal option under similar terms as the original lease.

Future commitments under this lease are:

2018	\$65,400
2019	\$65,400
2020	\$16,350

The Organization acquired an additional office site under a two year operating agreement at a monthly rental of \$1,600 beginning April 1, 2017. This lease expires March 31, 2019 and contains a renewal option under similar terms of the original lease.

Future commitments under this lease are:

2018	\$19,200
2019	\$4,800

Total rental expense for December 31, 2017 and 2016, was \$79,700 and \$64,800 respectively.

Pending Claims or Matters

Management feels there are no matters pending that require disclosure at this time.

Note 3. Grants (Financial Assistance)

The Organization has been awarded grants from the U.S. Department of Health and Human Services to provide counseling services to residents. Revenue from grants is recognized when earned and expenses are recognized as incurred.

Note 4. Concentrations

The receipt of future revenues by the Organization is subject to, among other factors, federal and state policies affecting the health care industry. Future revenue and economic conditions are impossible to predict.

	<u>Total Revenue</u>	<u>Account Receivable</u>
LA WIC Program	30%	100%
Healthy Start Initiative	65%	-

Crescent City WIC Services, Inc.
Notes To Financial Statements
For The Years Ended December 31, 2017 And 2016

Note 5. Pension And Retirement Plan

The Organization maintains a 401(k) Qualified Retirement Plan for the benefit of its employees. Substantially all full-time employees are covered by the plan. Participating employees may elect to contribute, on a tax-deferred basis, a portion of their compensation in accordance with Section 401(k) of the Internal Revenue Code. The Organization's contribution, if any, is determined by the Organization on an annual basis. The Organization's matching contribution expense for both years 2017 and 2016 was \$0.

Note 6. Subsequent Events

Management of the Organization has evaluated the events and transactions for potential recognition or disclosure through June 30, 2018, the date the financial statements were available to be issued.

Supplementary Information

Crescent City WIC Services, Inc.
Schedules Of Compensation, Benefits And Other Payments To
Agency Head Or Chief Executive Officer
For The Years Ended December 31, 2017 And 2016

Agency Head Name: Mary Schultheis

	<u>2017</u>	<u>2016</u>
Purpose		
Salary	\$ 121,413	\$ 125,989
Conference travel	4,244	5,162
Benefits - insurance	7,111	4,621
Reimbursements	1,273	3,506
Registration fees	1,768	950
Per diem	550	587
Cell phone	-	477
Special meals	<u>104</u>	<u>139</u>
	<u>\$ 136,463</u>	<u>\$ 141,431</u>

PEDELAHORE & CO., LLP
Certified Public Accountants

**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 Directors
Crescent City WIC Services, Inc.
Gretna, 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 Crescent City WIC Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crescent City WIC Services, Inc.'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 Crescent City WIC Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 weakness 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crescent City WIC Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contract, and grants, 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 Standard*.

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.

This report is intended solely for the information and use of the management of Crescent City WIC Services, Inc., the Board of Directors, others within the Organization, the Louisiana Legislative Auditor and federal awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



June 30, 2018
New Orleans, Louisiana

Crescent City WIC Services, Inc.
Schedule Of Findings And Questioned Costs
Year Ended December 31, 2017

Section I – Summary Of Auditor’s Results

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u> x </u> no
Significant deficiency or a combination of control deficiencies identified not considered being material weaknesses?	_____ yes <u> x </u> no
Noncompliance material to financial statement noted?	_____ yes <u> x </u> no

Findings Related to the Financial Statements – Compliance

No Findings

Section II – Internal Control And Compliance Material To Federal Awards

Not applicable

Section III – Management Letter

None

Crescent City WIC Services, Inc.
Summary Schedule Of Prior Year Findings
Year Ended December 31, 2017

Crescent City WIC Services, Inc. respectfully submits the following Schedule of Prior Year Audit Findings.

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

PEDELAHORE & CO., LLP

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Office of Crescent City WIC Services, Inc., Gretna, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Crescent City WIC Services, Inc. and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2017. The Organization'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 and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - 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

- 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 of statements, and (5) monitoring card usage.
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results of Procedures: The Organization has written policies and procedures addressing payroll/personnel and travel and expense reimbursement. No written policies address budgeting, purchasing, disbursements, contracting, and credit cards. The following are not applicable to the Organization: debt service, as the Organization has no debt, receipts/collections as the Organization does not handle any cash transactions, and ethics as it is not applicable to the non-profit organization. The travel and expense reimbursements follow the State of Louisiana Travel Guide for per diem and mileage rates.

Management's Response: The vast majority of the Organization's transactions involve routine recurring items. Our policies and procedures for purchasing are adequate for the size, volume and nature of our transactions and for safeguarding our assets.

Board or Finance Committee

2. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - 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.

Results of Procedures: The Organization's board of directors meet bi-annually and keep formal record of minutes. The Organization's board also meet informally at least monthly. The minutes

did not reference monthly budget-to-actual comparisons on any major funds nor was non-budgetary financial information included.

Management's Response: The on-site accountant monitors monthly budget-to-actual comparisons, and discusses financial information with the executive director as often as necessary.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results of Procedures: We noted no exceptions to the above procedures.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.
5. For each deposit site selected, randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above.
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location.
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results of Procedures: The Organization does not handle any cash transactions. All incoming funds are processed by ACH. External Organizations approve grant funding prior to processing.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties, and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results of Procedures: We noted no exceptions to the above procedures except as follows – We did not test for supporting documentation and approval of requisitions or purchase orders as the Organization does not use a formal requisition/purchase order system for purchases. However, our testing of disbursements indicated invoices are initialed by the executive director for approval and then forwarded for payment processing.

Management's response: The vast majority of the Organization's transactions involve routine recurring items. Our policies and procedures for purchasing are adequate for the size, volume and nature of our transactions and for safeguarding our assets. Also, vendor file maintenance, recording transactions and all other accounting functions are performed by an individual that does not have permission or access to process payments, thereby maintaining sufficient segregation of duties.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results of Procedures: The Organization has one credit card account. A monthly statement was selected, and no exceptions were found. No finance charges or late fees were assessed on the selected statement. All transactions from the selected statement were supported by an original itemized receipt and documentation of public purpose.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Procedures: The Organization's written policies for travel and expense reimbursements include amounts for per diem and mileage rates taken from the State of Louisiana's Travel Guide, none of which exceed the GSA rates. Expense reports selected for testing were reimbursed in accordance with written policy and supported by original itemized receipts or travel expense forms per written policy, with documentation of public purpose and with no exceptions to Article 7, Section 14 of the Louisiana Constitution. The reimbursements were reviewed and approved by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all contracts in effect during the fiscal period or alternately, use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results of Procedures: We noted no exceptions to the above procedures. The Organization's contracts are not subject to the LA Public Bid Law.

Payroll and Personnel

16. Obtain a listing of employees employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results of Procedures: We noted no exceptions to the above procedures. All selected employees documented their daily attendance, and the appropriate supervisor approved attendance and hours recorded.

Ethics

20. Using the 5 randomly selected employees from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results of Procedures: Ethics does not apply to non-profit organizations.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete.

Results of Procedures: The Organization has no debt.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Procedures: Management reported that there had not been any misappropriation of funds or assets; however, the notice was not posted on the premises.

Management's Response: Management will post the notice on its premises in visible sight.

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.

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.



New Orleans, Louisiana
June 30, 2018